



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

**Public Disclosure**

**October 03, 2005**

**Community Reinvestment Act  
Performance Evaluation**

**Amboy National Bank  
Charter Number: 3878**

**3590 Highway 9  
Old Bridge, NJ 08859**

**Office of the Comptroller of the Currency**

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Edison, NJ 08837**

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

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## Overall CRA Rating

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

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

Performance Levels	Amboy National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X		X
High Satisfactory		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:

- Amboy’s lending activity is excellent in its assessment area (AA);
- A substantial majority of Amboy’s loans were originated in its AA;
- Overall, geographic distribution of loans is excellent;
- Overall, borrower distribution of loans is excellent;
- Amboy has made a high level of community development loans, which address identified community credit needs;
- Amboy offers flexible lending products in order to serve the identified credit needs of the community;
- Amboy has made a good level of qualified investments that are innovative and responsive to the identified needs of the community;
- Amboy’s service delivery systems are accessible to geographies and individuals of different income levels; and
- Amboy provides a high level of community development services.

## Definitions and Common Abbreviations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Metropolitan Division:** As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an

employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

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

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

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

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

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

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

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

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

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

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

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

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

## Description of Institution

Amboy National Bank (Amboy) is an independent banking institution headquartered in Old Bridge, New Jersey. The bank has offices located in the central New Jersey counties of Middlesex, Monmouth, Somerset, and Mercer. Amboy is a retail intrastate bank with 20 full service branches as of December 31, 2004. As of June 30, 2005, Amboy opened one additional branch located in Monmouth County. All of the branches also have on-site ATMs.

Amboy is a wholly owned subsidiary of Amboy Bancorporation, a one-bank holding company also headquartered in Old Bridge, New Jersey. As of June 30, 2005, Amboy Bancorporation had total assets of \$2.6 billion.

Amboy is a community bank with primary products that include 1-4 family residential mortgage lending, home equity lending, small business lending, and commercial lending. There are seven wholly or partially owned subsidiaries of Amboy. Only one subsidiary, ANB Investment Company, was reviewed for its holdings of qualified investments. The remaining subsidiaries have no impact on the bank's capacity to meet its community reinvestment obligations.

The bank continues to exhibit significant growth. As of June 30, 2005, total bank assets of \$2.6 billion had increased 15 percent from the prior year. Assets had increased nearly 53 percent since the completion of our prior Community Reinvestment Act examination in 2002. Total loans as of June 30, 2005 were \$1.99 billion, an increase of almost 21 percent from the prior year. Total deposits increased nearly 16 percent from the prior year, to \$1.8 billion.

As of June 30, 2005, net loans and leases represented 75 percent of total assets. This loan portfolio comprises construction and development loans (46 percent), residential mortgages and home equity loans (30 percent), commercial real estate loans (20 percent), and commercial and industrial loans (4 percent). The bank's loan mix has shifted since the prior CRA evaluation. Construction and development loans now comprise the largest portion of the total loan portfolio (as compared to residential real estate loans, which comprised 43 percent of the total loan portfolio in 2002). Increased construction and development within the bank's assessment areas have provided the bank with more opportunities to fund affordable housing and other low- and moderate-income community projects.

Net Tier 1 Capital is \$196 million as of June 30, 2005. Competition in the area is strong, and includes local community banks, regional banks, national non-bank financial institutions, and mortgage companies.

Amboy's last Public Evaluation (PE) was dated August 26, 2002 and the overall CRA rating assigned was Outstanding. Since the previous PE, Amboy has not closed any branches and has opened four new branches. There are no financial or legal impediments to hinder Amboy's ability to help meet the credit needs of the communities it serves.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The evaluation period for the Lending Test for home mortgages reported under the Home Mortgage Disclosure Act (HMDA) and for loans to small businesses is from January 1, 2002 through December 31, 2004. Home equity loans originated during the same time period were also evaluated at the request of the bank. The previous evaluation period was from January 1, 1999 to December 31, 2001. For community development loans, and the Investments and Services Tests, the evaluation period is from August 27, 2002 through June 30, 2005. The bank did not make any small farm loans during the evaluation period. As such, we did not perform analyses of this loan type, as the data would not be meaningful.

For the HMDA and CRA lending data, it is important to note that our review covers three reporting periods—those loans that were reported using 1990 census data (2002 loan originations/purchases), those that were reported using 2000 census data (2003 loan originations/purchases), and those that were reported using 2000 census data updated to reflect new Metropolitan Statistical Area (MSA) definitions and boundaries (2004 loan originations/purchases). Due to the changes in the demographics from one census year to another, and the creation of new MSA definitions and boundaries in 2004, loan data for the three reporting periods was analyzed separately. The lending tables in Appendix C reflect those changes.

### Data Integrity

During July of 2005, the OCC examined Amboy's publicly filed information and registers to verify the accuracy of the data. These registers contain loan data for home mortgages, small businesses, and home equity loans. We found 24 errors with the HMDA loan data, and 16 errors with the small business loan data. These errors did not materially affect the evaluation.

### Selection of Areas for Full-Scope Review

We performed a full scope review of the bank's largest AA, Middlesex—Monmouth, which is part of the New York-Northern New Jersey-Long Island Metropolitan Statistical Area (MSA #35620). This AA accounts for 90 percent of total bank deposits and approximately 91 percent of Amboy's home mortgage lending. The bank made 89 percent of its small loans to businesses and 91 percent of its home equity loans in this AA. Consequently, we determined that this AA is representative of the bank's activities. Please refer to the tables in Appendix B for additional information regarding this area.

The Mercer—Somerset AA was selected for limited scope review. This AA is primarily part of the New York-Northern New Jersey-Long Island MSA, but also includes two census tracts that are located in the Trenton-Ewing, New Jersey MSA (MSA #45940). Approximately seven percent of the bank's deposits and nine percent of loans were originated in this AA.

The Woodbridge AA was selected for limited scope review. This AA is comprised of a single upper-income census tract located in the New York-Northern New Jersey-Long Island MSA.

Approximately three percent of the bank's deposits, and less than one percent of loans, were originated in this AA.

## **Ratings**

The bank's overall rating is based primarily on the full scope review of the Middlesex—Monmouth AA. Home equity products, home mortgage lending, and small loans to businesses received more weight in evaluating the Lending Test than multifamily loans. Approximately 57 percent of the loans originated in the AA during the evaluation period were home equity products. Home mortgage lending accounted for 23 percent, and small business loans represented 20 percent. Multifamily housing constituted one percent of total home mortgage lending. No small farm loans were originated.

Residential mortgages originated were 23 percent of all loans in the Middlesex—Monmouth AA. Also, home purchase mortgages were given more weight in our analysis than home refinance mortgages. Home purchase loans were identified as the primary credit need of the AA, and home purchase loans represent 34 percent of Amboy's home mortgages in the Middlesex—Monmouth AA. For the geographic distribution of loans, more weight was placed on the bank's activity in the moderate-income census tracts, as there is only one low-income census tract in the Middlesex—Monmouth AA.

## **Other**

During the examination, we contacted a local housing organization. This organization is involved in expanding affordable housing resources and assisting potential homeowners in obtaining affordable housing. The organization primarily serves low- to moderate-income clients. Our evaluation also included a review of those recent Performance Evaluations conducted by other financial regulatory agencies for banks doing business in the AAs. Based on our review, the New York-Northern New Jersey-Long Island MSA is in need of affordable housing, which we considered in our evaluation of Amboy's performance under the Lending, Investment, and Service Tests. The high cost of housing continues to create a barrier to homeownership for most low- and moderate-income individuals. Affordable housing for seniors was also identified as a primary credit need of the community. In general, income growth has not been able to catch up with the cost of living for most low- and moderate-income individuals, causing the need for affordable housing to continue to increase. Participation in affordable housing and community development projects were among the identified needs of the community.

Our contact believed that general banking and credit needs were being met in the AA, and Amboy executives were singled out as being particularly responsive to the credit needs of the community.

## **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 is rated Outstanding. Based on the full-scope review, the bank's performance in the Middlesex—Monmouth AA is excellent.

#### Lending Activity

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

#### MIDDLESEX—MONMOUTH AA

Lending activity in the Middlesex—Monmouth AA is excellent. The bank's lending patterns are reflective of the credit needs of the community. Approximately 91 percent of the bank's lending is done in this AA. The bank's lending to individuals is centered in home equity products and home mortgage loans, which represent 57 percent and 23 percent for this AA, respectively. Home purchase and refinance loans represent 34 percent and 65 percent, respectively, of all mortgages originated in this AA. Multifamily housing lending constituted one percent of total home mortgage lending.

Small business credit is also an important credit need of the AA. Twenty percent of the bank's lending in the AA is in small loans to businesses. There is no small farm credit lending based on the credit demand at the bank.

Amboy has 16 branches and 90 percent of its deposits in this AA. In 2004, the U.S. Office of Management and Budget changed MSA boundaries. As a result, the Middlesex-Somerset-Hunterdon MSA and the Monmouth-Ocean MSA, as they existed in 2003, changed to the New York-Northern New Jersey-Long Island MSA in 2004. In the New York-Northern New Jersey-Long Island MSA, Amboy is ranked 43<sup>rd</sup> for its market share of deposits, with a 0.22 percent market share as of June 30, 2004. In the New York-Northern New Jersey-Long Island MSA, Amboy is ranked 39<sup>th</sup> for its market share of deposits, with a 0.23 percent market share as of June 30, 2005.

Based on 2003 HMDA Peer Mortgage Data, Amboy ranked 42<sup>nd</sup> out of 504 lenders, with a 0.49 percent market share. Several non-bank mortgage lenders and other large regional banks dominate the market.

Based on 2003 HMDA Peer Mortgage Data:

- Market share for home purchase and home refinance loans is 0.40 percent and 0.30 percent, respectively;
- For home purchase lending, Amboy ranked 53<sup>rd</sup> out of 418 lenders; and
- For home refinance lending, Amboy ranked 57<sup>th</sup> out of 529 lenders.

Amboy does not offer a separate home improvement loan product. The bank continues to actively promote its home equity product. Management feels that the bank's home equity product satisfactorily meets customer needs for home improvement loans.

Based on 2003 Peer Small Business Data, Amboy ranked 18th out of 146 lenders.

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

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

Refer to Tables 2, 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 bank does not originate HMDA reportable home improvement loans, therefore an analysis of these loans is excluded from this report. In addition, more weight was placed on the bank's activity in the moderate-income census tracts, as there is only one low-income census tract in the Middlesex—Monmouth AA.

### **Home Purchase Lending**

The geographic distribution of home purchase loans is excellent. Based on 1990 U.S. census data, the bank did not make any home purchase loans in low-income geographies. However, there were no owner-occupied units in these geographies based on the same data. According to 2000 census data with the 2003 MSA boundaries, the bank did not make any home purchase loans in low-income geographies. Similarly, using 2000 census data with the newly defined MSA boundaries in 2004, the bank did not make any home purchase loans in low-income geographies. For the three analysis periods, the market share of home purchase loans in low-income geographies is less than the bank's overall market share of home purchase loans in the AA.

Based on 1990 census data, the percentage of home purchase loans made in moderate-income geographies significantly exceeds the percentage of owner-occupied units in these geographies. The market share of loans in these geographies significantly exceeds the bank's overall market share of home purchase loans in the AA. Using 2000 census data with the 2003 MSA boundaries, the percentage of home purchase loans made in moderate-income geographies significantly exceeds the percentage of owner-occupied units in these geographies. The market share of loans in these geographies exceeds the bank's overall market share of home purchase loans in the AA. Using 2000 census data with the newly defined MSA boundaries in 2004, the percentage of home purchase loans made in moderate-income geographies exceeds the percentage of owner-occupied units in these geographies. The bank's market share in these geographies is equal to the bank's overall market share of home purchase loans in the AA.

### **Home Refinancing**

The geographic distribution of home refinancing loans is good. According to 1990 census data, the bank did not make any home refinancing loans in low-income geographies. However, there were no owner-occupied units in these geographies based on the same data. According to 2000 census data with the 2003 MSA boundaries, the bank did not make any home refinancing loans in low-income geographies. Similarly, using 2000 census data with the newly defined MSA boundaries in 2004, the bank did not make any home refinancing loans in

low-income geographies. For the three analysis periods, the bank's market share of home refinancing loans in low-income geographies is less than the bank's overall market share of home refinancing loans in the AA.

Based on 1990 census data, the percentage of home refinancing loans in moderate-income geographies is somewhat lower than the percentage of owner-occupied units in these geographies. However, the bank's market share of loans in these geographies is somewhat higher than the bank's overall market share of home refinancing loans in the AA. Using 2000 census data with the 2003 MSA boundaries, the percentage of home refinancing loans made in moderate-income geographies significantly exceeds the percentage of owner-occupied units in these geographies. The bank's market share of loans in these geographies is significantly higher than the bank's overall market share of home refinancing loans in the AA. Using 2000 census data with the newly defined MSA boundaries in 2004, the percentage of home refinancing loans made in moderate-income geographies is lower than the percentage of owner-occupied units in these geographies. The bank's market share of loans in these geographies is lower than the bank's overall market share of home refinance loans in the AA.

### **Multifamily Loans**

The geographic distribution of multifamily loans is excellent. According to 1990 census data, the bank did not make any multifamily loans in low-income geographies. Similarly, using 2000 census data with both the 2003 MSA boundaries and the newly defined MSA boundaries in 2004, the bank did not make any multifamily loans in low-income geographies. For the three analysis periods, the bank's market share of multifamily loans in low-income geographies is less than the bank's overall market share of multifamily loans in the AA.

Based on 1990 census data, the percentage of multifamily loans in moderate-income geographies significantly exceeds the percentage of owner-occupied units in these geographies. The bank's market share of loans in these geographies is significantly higher than the bank's overall market share of multifamily loans in the AA. Using 2000 census data with the 2003 MSA boundaries, the percentage of multifamily loans made in moderate-income geographies significantly exceeds the percentage of owner-occupied units in these geographies. The bank's market share of loans in these geographies is significantly higher than the bank's overall market share of multifamily loans in the AA. Using 2000 census data with the newly defined MSA boundaries in 2004, the percentage of multifamily loans made in moderate-income geographies is somewhat lower than the percentage of owner-occupied units in these geographies. However, the bank's market share of loans in these geographies is higher than the bank's overall market share of multifamily loans in the AA.

### ***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. Based on 1990 U.S. census data, the bank did not make any small loans to businesses in low-income geographies. However, the bank's market share of loans in these geographies exceeds the bank's overall market share of small loans to businesses in the AA. According to 2000 census data with the 2003 MSA boundaries, the bank did not make any small loans to businesses in low-income

geographies. The bank's market share of loans in these geographies is lower than the bank's overall market share of small loans to businesses in the AA. Similarly, according to 2000 census data with the newly defined MSA boundaries in 2004, the bank did not make any small loans to businesses in low-income geographies. The bank's market share of loans in these geographies is slightly lower than the bank's overall market share of small loans to businesses in the AA.

Based on 1990 census data, the percentage of small loans to businesses in moderate-income geographies is significantly higher than the percentage of businesses that are located in those geographies. Using 2000 census data with the 2003 MSA boundaries, the percentage of small loans to businesses in moderate-income geographies exceeds the percentage of businesses that are located in those geographies. Similarly, using 2000 census data with the newly defined MSA boundaries in 2004, the percentage of small loans to businesses in moderate-income geographies exceeds the percentage of businesses that are located in those geographies. For the three analysis periods, the bank's market share of small loans to businesses in moderate-income geographies exceeds the bank's overall market share of small loans to businesses in the AA.

### ***Consumer Loans***

Refer to Table 13 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's consumer loan originations and purchases.

The geographic distribution of home equity loans is adequate. Based on 1990 U.S. census data, the bank did not make any consumer loans in low-income geographies. Similarly, according to 2000 census data using both the 2003 MSA boundaries and the newly defined MSA boundaries in 2004, the bank did not make any consumer loans in low-income geographies.

Based on 1990 census data, the percentage of consumer loans in moderate-income geographies is somewhat lower than the percentage of households in those geographies. Using 2000 census data with the 2003 MSA boundaries, the percentage of consumer loans in moderate-income geographies is near to the percentage of households in those geographies. Using 2000 census data with the newly defined MSA boundaries in 2004, the percentage of consumer loans in moderate-income geographies is lower than the percentage of households in those geographies. There is no market share comparison data for consumer loan originations.

### **Lending Gap Analysis**

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

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

We performed an analysis of Amboy's lending within its AAs at the bank level as opposed to the individual AA levels. Amboy originated a substantial majority of its home mortgage loans and small loans to businesses with the bank's AAs. For HMDA products, 65 percent of all loan originations during the evaluation period were within the bank's AAs. For small loans to businesses, 65 percent of the loans originated during the evaluation period were within the bank's AAs. For home equity loans, 76 percent of all loan originations during the evaluation period were within the bank's AAs. This performance factored positively into the overall analysis of the geographic distribution of lending by income level of geography.

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

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

Refer to Tables 8 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.

Borrower distribution for home mortgage lending is excellent when considering the difficulty that low- and moderate-income individuals have in purchasing a home in the AA. The median cost of housing in the AA has increased significantly as compared to the increase in median family income levels.

Using 1990 census data, the median cost of housing in the AA is \$171,321. The HUD updated median family income for 2002 is \$80,440. A low-income individual earns less than \$40,220. A moderate-income individual earns at least \$40,220 but less than \$64,352. Additionally, five percent of the households are below poverty level. According to 2000 census data with the 2003 MSA boundaries, the median cost of housing in the AA has risen to \$185,655. The HUD updated median family income for 2003 is \$80,598. A low-income individual earns less than \$40,299. A moderate-income individual earns at least \$40,299 but less than \$64,478. Additionally, almost six percent of households are below the poverty level. Using 2000 census data with the newly defined MSA boundaries in 2004, the median cost of housing in the AA has declined to \$182,418. The HUD updated median family income for 2004 is \$82,800. A low-income individual earns less than \$41,400. A moderate-income individual earns at least \$41,400 but less than \$66,240. Additionally, almost six percent of households are below the poverty level.

#### **Home Purchase Lending**

Borrower distribution of home purchase lending is excellent. According to 1990 census data, the percentage of home purchase loans made to low-income borrowers in the AA is somewhat higher than the percentage of low-income families in the AA. Amboy's market share of loans to low-income borrowers is significantly higher than the bank's overall market share of home purchase loans. Using 2000 census data with the 2003 MSA boundaries, the percentage of home purchase loans made to low-income borrowers in the AA is higher than the percentage of low-income families in the AA. Amboy's market share of loans to low-income borrowers is significantly higher than the bank's overall market share of home purchase loans. Using the 2000 census data with the newly defined MSA boundaries in 2004, the percentage of home purchase loans made to low-income borrowers in the AA is lower than the percentage of low-

income families in the AA. However, Amboy's market share of loans to low-income borrowers is higher than the bank's overall market share of home purchase loans. The bank's home purchase lending to low-income borrowers in 2004 is good when considering the affordability of housing for a low-income individual as discussed above. In the low-income tract in the AA, 30 percent of households have income below the poverty level, and the median family income is \$24,500, meaning that a low-income individual in these tracts earns less than \$12,250.

According to 1990 census data, the percentage of home purchase loans made to moderate-income borrowers in the AA significantly exceeds the percentage of moderate-income families in the AA. Amboy's market share of loans to moderate-income borrowers also exceeds the bank's overall market share of home purchase loans. Using 2000 census data with the 2003 MSA boundaries, the percentage of home purchase loans made to moderate-income borrowers in the AA significantly exceeds the percentage of moderate-income families in the AA. Amboy's market share of loans to moderate-income borrowers also exceeds the bank's overall market share of home purchase loans. Using 2000 census data with the newly defined MSA boundaries in 2004, the percentage of home purchase loans made to moderate-income borrowers in the AA is lower than the percentage of moderate-income families in the AA. Amboy's market share of loans to moderate-income borrowers is also less than the bank's overall market share of home purchase loans. The bank's home purchase lending to moderate-income borrowers in 2004 is adequate when considering the affordability of housing for a moderate-income individual. In the moderate-income tracts in the AA, the median family income is \$50,023, meaning that a moderate-income individual earns at least \$25,012 but less than \$40,018.

### **Home Refinancing**

Borrower distribution of home refinance lending is good. According to 1990 census data, the percentage of home refinance loans made to low-income individuals is significantly lower than the percentage of low-income families in the AA. Amboy's market share of loans to low-income borrowers is somewhat lower than the bank's overall market share of home refinance lending. According to 2000 census data with the 2003 MSA boundaries, the percentage of home refinance loans made to low-income individuals is significantly lower than the percentage of low-income families in the AA. However, Amboy's market share of loans to low-income borrowers is greater than the bank's overall market share of home refinance lending. Using 2000 census data with the newly defined MSA boundaries in 2004, the percentage of home refinance loans made to low-income individuals is near to the percentage of low-income families in the AA. Amboy's market share of loans to low-income borrowers is greater than the bank's overall market share of home refinance lending. This performance is notable when considering the affordability of housing for a low-income individual, as described above.

Based on 1990 census data, the percentage of home refinance loans to moderate-income borrowers in the AA is somewhat lower than the percentage of moderate-income families in the AA. Amboy's market share of loans to moderate-income borrowers in the AA is near to the bank's overall market share of home refinance loans. Using 2000 census data with the 2003 MSA boundaries, the percentage of home refinance loans to moderate-income borrowers in the AA significantly exceeds the percentage of moderate-income families in the AA. Amboy's market share of loans to moderate-income borrowers is greater than the bank's overall market share of home refinance loans. Using 2000 census data with the newly defined MSA boundaries in 2004, the percentage of home refinance loans to moderate-income borrowers in the AA is somewhat lower than the percentage of moderate-income families in the AA.

Amboy's market share of loans to moderate-income borrowers in the AA is near to the bank's overall market share of home refinance loans. This performance is notable when considering the affordability of housing for moderate-income individuals, as described above.

### ***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 originations/purchases of small loans to businesses.

The borrower distribution of small loans to businesses is excellent. According to 1990 U.S. census data, small loans to small businesses (businesses with revenues of \$1 million or less) represents 83 percent of all small loans to business originated by Amboy. Using 2000 census data with the 2003 MSA boundaries, small loans to small businesses represents 77 percent of all small loans to businesses originated by Amboy, as compared to 67 percent of the businesses within the AA defined as such. Using 2000 census data with the newly defined MSA boundaries in 2004, small loans to small businesses represents 76 percent of all small loans to businesses originated by Amboy, as compared to 68 percent of the businesses within the AA defined as such. For the three analysis periods, the market share for small loans made to small businesses substantially exceeds Amboy's overall market share. The distribution by size of loan shows that a majority of the loan originations are for \$100,000 or less. This is another indication that business lending is primarily to small businesses.

### ***Consumer Loans***

Refer to Table 13 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's consumer loan originations and purchases.

The borrower distribution of home equity loans is good. Based on 1990 U.S. census data, the percentage of consumer loans made to low-income individuals is somewhat lower than the percentage of low-income households in the AA. Similarly, according to 2000 census data using both the 2003 MSA boundaries and the newly defined MSA boundaries in 2004, the percentage of consumer loans made to low-income individuals is somewhat lower than the percentage of low-income households in the AA.

Based on 1990 census data, the percentage of consumer loans made to moderate-income individuals significantly exceeds the percentage of moderate-income households in the AA. Similarly, using 2000 census data with both the 2003 MSA boundaries and the newly defined MSA boundaries in 2004, the percentage of consumer loans made to moderate-income individuals exceeds the percentage of moderate-income households in those geographies. There is no market share comparison data for consumer loan originations.

## 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.

Community development (CD) lending had a positive impact on the Lending Test, and the originated loans were responsive to the needs of the AA.

We determined through our community contacts and our internal research that limited opportunities for community development lending exist within the AA due to the competition for these types of loans as well as the limited number of eligible low- and moderate-income census tracts. Competition for these loans is very strong from both large regional financial institutions and other community banks operating in the area. Due to the strong competition, Amboy elects to originate CD loans in broader geographical areas that include their designated AAs, but do not directly benefit them. Amboy continues to address the identified community development needs in its AAs; therefore, we gave positive consideration to CD loans made at the broader statewide level.

We noted the following CD loans made in the Middlesex—Monmouth AA for the evaluation period:

- a loan for \$1.14 million to a non-profit organization for the renovation and construction of a cultural center for children, benefiting low- and moderate-income areas, such as Asbury Park, Long Branch and Neptune, New Jersey;
- a participation loan with the New Jersey Housing and Mortgage Finance Agency to provide low- and moderate-income housing opportunities through the construction of two ten-unit condominium buildings and fourteen duplexes in Long Branch, New Jersey (Amboy's participation totaled \$1.1 million);
- a participation loan with the New Jersey Housing and Mortgage Finance Agency to provide low- and moderate-income housing opportunities through the construction of 17 modular units in Neptune, New Jersey, of which two are low-income units, eight are moderate-income units, and seven are subsidized market rate units (Amboy's participation totaled \$527 thousand);
- a \$2.8 million loan to a non-profit vocational rehabilitation organization, whose mission is to promote social independence and maximum vocational potential for people with disabilities by providing counseling, training, and support services in Monmouth and Ocean Counties;
- a \$200 thousand loan to a non-profit organization that serves unwed mothers and families in need, offers credit-counseling services, and provides home health care aides for needy people in low-income neighborhoods, such as Asbury Park, Long Branch, and Keansburg, New Jersey;
- a \$600 thousand Affordable Housing Program subsidy for the construction of 100 low-income apartment units in Jackson, New Jersey;

- a participation loan with the New Jersey Housing and Mortgage Finance Agency to construct two duplexes and one single family home in Long Branch, New Jersey, both of which will be sold to low-income individuals (Amboy's participation totaled \$225 thousand); and
- a \$1 million loan to fund the interior renovations of a non-profit cultural center for children, which benefits low- and moderate-income areas, such as Asbury Park, Long Branch and Neptune, New Jersey.

We noted the following CD loans made in the broader geographical area for the evaluation period:

- a \$1.2 million Affordable Housing Program subsidy for the construction of 169 low- and moderate-income housing units;
- a \$1.4 million loan for the construction of a 60-unit low-income senior citizen apartment complex in Bayonne, New Jersey;
- two loans, totaling \$6 million, for the construction of 87 low- and moderate-income apartment units for seniors in Lambertville, New Jersey;
- a participation loan with the New Jersey Housing and Mortgage Finance Agency to construct 13 two-unit moderate-income condominiums in Jersey City, New Jersey (Amboy's participation totaled \$691 thousand); and
- a loan for \$10.1 million for the land acquisition, site improvement, and construction of a 103-unit age-restricted apartment complex in Edison, NJ, of which 10 percent of the apartments will be sold to low-income individuals and 10% will be sold to moderate-income individuals.

## **Product Innovation and Flexibility**

Product innovation and flexibility had a positive impact on the Lending Test conclusion. The bank offers several flexible loan products that adequately address the identified credit needs of the community. Amboy offers the Helping Hand Mortgage Loan Program, which is a mortgage product specifically designed for low- and moderate-income borrowers. This program offers a reduced application fee, lower rates, a smaller down payment, no points for a fixed rate loan, and less stringent private mortgage insurance (PMI) requirements. Amboy also pays the PMI premiums for the first two years of the loan. In addition, the maximum allowable debt-to-income ratios for this product are higher than those for the conventional mortgage program. As of our evaluation date, Amboy originated 31 Helping Hand Mortgage loans for \$2.4 million.

Amboy also offers the Helping Hand Home Equity Loan, which is a fixed rate product specifically designed for low- and moderate-income borrowers. This program allows for a higher loan-to-value ratio, and offers a reduced interest rate for the first 10 years of the loan, a substantially lower minimum loan amount, and waiver of the application fee. As of our evaluation date, Amboy originated two Helping Hand Home Equity loans for \$42 thousand.

Amboy also offers a Helping Hand Automobile Loan product. This program offers low interest rates and more flexible terms than the bank's conventional auto loan product. As of our evaluation date, no loans had been originated under the Helping Hand Automobile Loan program.

In conjunction with the Old Bridge Housing Authority, Amboy continues to participate in a special loan program whereby low- and moderate-income individuals receive down payment assistance for purchasing homes in specially designated areas of Old Bridge, New Jersey. In addition, Amboy pays the PMI premiums for the first two years of the loan. The number and dollar amount of these loans that were originated as of our evaluation date are included in the Helping Hand Mortgage Loan Program described above.

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

Based on limited-scope reviews, the bank's performance under the Lending Test in the Mercer—Somerset AA and the Woodbridge AA is slightly weaker than the bank's overall Outstanding performance under the Lending Test. The weaker performance is primarily attributed to the lower volume of lending in these areas; however, it did not impact our overall conclusions. Refer to Tables 1 through 13 in Appendix C for the facts and data that support these conclusions.

## **INVESTMENT TEST**

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

The bank's performance under the Investment Test is rated High Satisfactory. Based on full-scope reviews, the bank's performance in the Middlesex—Monmouth AA is good.

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

Investments in the AA are good, considering the strong competition for CD investments in the AA. We determined through our community contacts and our internal research that there is very strong competition for investment opportunities in the Middlesex—Monmouth AA. During the prior evaluation period, Amboy committed to one investment in the Middlesex—Monmouth AA, which funded the purchase of 22 condominium units for low- and moderate-income individuals. As of our evaluation date, this outstanding investment totaled \$2.1 million. In addition, 60 qualified grants and donations, totaling \$72 thousand, were made in this AA. These grants and donations made during the evaluation period were to local non-profit organizations for various CD initiatives throughout the AA.

Due to the strong competition, Amboy commits to CD investments in broader geographical areas that include their designated AAs, but do not directly benefit them. Amboy continues to address the identified community development needs in its AAs; therefore, we gave positive consideration to CD investments made at the broader statewide level.

We noted the following CD investments made in the broader geographical area for the evaluation period:

- a \$500 thousand investment to a regional community development foundation, whose objective is to reduce crime in senior housing facilities, and to provide ongoing, effective crime prevention programs that promote safe, secure, and high quality of life environments for senior housing residents (innovative);
- a \$500 thousand investment in a statewide capital financing program that provides construction and permanent financing to community and economic development projects (innovative);
- a \$790 thousand contribution to the Amboy Foundation, whose mission is to support organizations located in the bank’s AAs that have community development as the primary purpose.
- three \$125 thousand annual investments to a statewide nonprofit community loan fund, whose objective is to lend and provide technical assistance to nonprofit community-based organizations for the production of affordable housing, and also provide economic development opportunities for the benefit of low- and moderate-income individuals;
- a \$100 thousand investment in a regional community reinvestment fund, whose objective is to provide capital and technical expertise to build wealth, and to create economic opportunities for low wealth communities and low- and moderate-income individuals; and
- three annual contributions to the Federal Home Loan Bank Affordable Housing Program, which totaled \$198 thousand.

In addition, qualified grants and donations, totaling \$25 thousand, were made at the broader geographical level. These grants and donations made during the evaluation period were to local non-profit organizations for various CD initiatives. Amboy’s prior period investment of \$855 thousand represents a Federal National Mortgage Association mortgage-backed security. All of the mortgages supporting this investment were made to low- and moderate-income individuals in the broader geographic area.

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

Based on limited-scope reviews, the bank’s performance under the Investment Test in the Mercer—Somerset AA and Woodbridge AA is weaker than the bank’s overall performance. Refer to Table 14 in Appendix C for the facts and data that support these conclusions. Again, the bank’s limited presence and heavy competition in those areas are the reasons for the weaker performance. This had no impact on the overall rating for the Investment Test.

## SERVICE TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated Outstanding. Based on a full-scope review, the bank's performance in the Middlesex—Monmouth AA is excellent.

#### 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.

Amboy's service delivery systems are readily accessible to individuals and geographies of different income levels in its AA. In the Middlesex—Monmouth AA, Amboy operates an ATM at each of its 16 branch locations.

Amboy's hours and services offered throughout the entire AA are excellent and tailored to meet the convenience and need of the AA. Hours and services do not vary among branches, and are comparable among locations regardless of the income level of the geography. All branch offices offer extended hours, while a substantial majority also offer Saturday hours.

The bank also offers other delivery services as described below. However, no weight was placed on these other delivery services because a determination of the volume of use in low- and moderate-income geographies and by low- and moderate-income individuals is unavailable. These other delivery systems include Bank-by-Mail, Bank-by-Phone, and Online Banking. Through these systems, a depositor can review transaction history, and make monetary transfers between Amboy accounts.

Amboy's branch openings positively affected the accessibility of delivery systems within the AA. Since our last PE, Amboy has opened three new branches in this AA. One of these branches is located in a middle-income geography, and two are located in upper-income geographies.

The bank has no branches in low-income geographies. Two branches in the Middlesex—Monmouth AA are located in moderate-income geographies. The percentage of Amboy's branches within moderate-income geographies is greater than the percentage of the AA's population living in these geographies.

#### Community Development Services

Amboy provides a high level of CD services in the Middlesex—Monmouth AA. Bank employees and officers were engaged in nine organizations or programs providing technical and financial assistance that benefit low- and moderate-income individuals and economic development.

The following are the CD services provided by Amboy employees in the AA:

- Amboy sponsors a “How to Do Your Banking” program in 18 local high schools. Students are instructed on the basics of financial institutions and the services they provide. The program focuses on “getting credit” and “using credit wisely.” Over 3,500 high school seniors participated in this program.
- Amboy’s President serves as a member of the Monmouth County Supportive Housing Collaboration. The purpose of this collaborative effort is to create affordable housing in Monmouth County for individuals with special needs.
- Through its relationship with the Monmouth County Housing Alliance, Amboy sponsors a newspaper entitled “Step Up to Affordable Housing.” This newspaper is published six times per year, and provides information regarding affordable housing programs, including how to apply for such programs.
- Two officers of Amboy serve on the community development advisory board of the New Jersey Community Homebuyers’ Counseling Coalition (NJCHBCC). The NJCHBCC is committed to serving the needs of low-, moderate- and middle-income individuals and families by facilitating homeownership through financial education.
- Amboy hosted a “Tax Aid” site in conjunction with the Accountants for Public Interest, a non-profit organization. Nine officers of Amboy participated in providing free tax return preparation for low- and moderate-income residents.
- Members of Amboy’s senior management have provided technical assistance to non-profit organizations in preparing applications for the Federal Home Loan Bank Affordable Housing Program. With the bank’s assistance, the non-profit groups were able to secure below-market loan rates for affordable housing projects targeting low- and moderate-income individuals.
- Through its participation with Consumer Credit Counseling Service, the bank offers free credit counseling to customers facing delinquencies and/or foreclosure.
- Twice a year, members of Amboy’s mortgage department offer a free seminar entitled “Borrowing to Buy a Home.” The purpose of this seminar is to provide homeownership information to low- and moderate-income individuals.
- In conjunction with the Housing Coalition of Central Jersey, Amboy offers pre-purchase home counseling. In addition, Amboy provides credit reports at no charge for individual participants in the counseling program.

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

Based on limited-scope reviews, the bank’s performance under the Service Test in the Mercer—Somerset AA and Woodbridge AA is weaker than the bank’s overall Outstanding performance under the Service Test. The weaker performance is primarily due to the fewer number of branches in the Mercer—Somerset and Woodbridge AAs, as compared to the demographics in those areas. This had no impact on the overall rating for the Service Test. Refer to Table 15 in Appendix C for the facts and data used to support these conclusions.

## Appendix A: Scope of Examination

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

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): 01/01/2002 to 12/31/2004 Investment and Service Tests and CD Loans: 08/27/02 to 6/30/2005	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Amboy National Bank Old Bridge, New Jersey	Home Mortgages, Small Loans to Businesses, Home Equity Loans, CD Loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
ANB Investment Company	Bank Subsidiary	Qualified CD Investments
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Middlesex—Monmouth Mercer—Somerset Woodbridge	Full Scope Limited Scope Limited Scope	

# Appendix B: Market Profiles for Full-Scope Areas

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

Middlesex—Monmouth AA.....	B-2
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**Middlesex—Monmouth AA**

Demographic Information for Full-Scope Area: Middlesex—Monmouth AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	162	0.62	11.11	48.77	37.65	1.85
Population by Geography	631,564	0.21	8.84	49.07	41.64	0.25
Owner-Occupied Housing by Geography	171,637	0.00	5.80	50.14	44.06	0.00
Businesses by Geography	0	0.00	0.00	0.00	0.00	0.00
Farms by Geography	0	0.00	0.00	0.00	0.00	0.00
Family Distribution by Income Level	172,262	13.12	16.69	25.05	45.14	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	51,355	0.62	16.89	57.43	25.06	0.00
Median Family Income HUD Adjusted Median Family Income for 2002 Households Below the Poverty Level	= \$51,090 = \$80,440 = 5.18%				Median Housing Value = \$171,321 Unemployment Rate = 2.59%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 1990 U.S. Census, and 2002 HUD updated MFI.

Demographic Information for Full-Scope Area: Middlesex—Monmouth AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	162	0.62	16.67	46.30	35.80	0.62
Population by Geography	718,504	0.41	14.00	44.45	41.15	0.00
Owner-Occupied Housing by Geography	203,735	0.18	11.92	44.06	43.85	0.00
Businesses by Geography	41,394	0.28	11.43	41.50	46.77	0.02
Farms by Geography	1,142	0.18	5.43	43.87	50.53	0.00
Family Distribution by Income Level	193,433	15.21	16.33	22.42	46.04	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	60,998	0.92	23.88	50.10	25.10	0.00
Median Family Income HUD Adjusted Median Family Income for 2003 Households Below the Poverty Level	= \$71,618 = \$80,598 = 5.76%				Median Housing Value = \$185,655 Unemployment Rate = 2.29%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 U.S. Census, and 2003 HUD updated MFI.

Demographic Information for Full-Scope Area: Middlesex—Monmouth AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	165	0.61	13.94	51.52	33.33	0.61
Population by Geography	732,743	0.40	11.27	49.96	38.37	0.00
Owner-Occupied Housing by Geography	207,620	0.17	9.04	50.15	40.64	0.00
Businesses by Geography	43,378	0.28	8.96	49.90	40.85	0.01
Farms by Geography	1,209	0.17	4.05	49.30	46.48	0.00
Family Distribution by Income Level	196,885	15.37	16.60	22.77	45.25	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	62,949	0.93	19.52	54.82	24.74	0.00
Median Family Income	= \$69,978					
HUD Adjusted Median Family Income for 2004	= \$82,800					
Households Below the Poverty Level	= 5.93%					
				Median Housing Value	= \$182,418	
				Unemployment Rate	= 2.34%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 2000 U.S. Census, and 2004 HUD updated MFI.

Amboy’s AA includes contiguous portions of the New York-Northern New Jersey-Long Island MSA. This MSA includes Middlesex, Monmouth, Ocean, and Somerset counties in the central region of New Jersey. Amboy does not have banking facilities in all parts of these counties and does not include all regions in its AA. In this MSA, Amboy operates in 162 census tracts according to 1990 U.S. Census data, in 162 census tracts according to the 2000 U.S. Census data with the 2003 MSA boundaries, and in 165 census tracts according to the 2000 U.S. Census data with the newly defined MSA boundaries in 2004. Amboy operates 16 branches in this AA with onsite ATMs. All branch offices offer extended hours, while a substantial majority also offer Saturday hours.

In 2004, the U.S. Office of Management and Budget changed MSA boundaries. As a result, the Middlesex-Somerset-Hunterdon MSA and the Monmouth-Ocean MSA, as they existed in 2003, changed to the New York-Northern New Jersey-Long Island MSA in 2004. The FDIC/OTS Summary of Deposits Market Share Report for June 30, 2004 reflects this change in MSA boundaries. In the New York-Northern New Jersey-Long Island MSA, Amboy is ranked 43<sup>rd</sup> for its market share of deposits, with an 0.22 percent market share as of June 30, 2004. In the New York-Northern New Jersey-Long Island MSA, Amboy is ranked 39<sup>th</sup> for its market share of deposits, with a 0.23 percent market share as of June 30, 2005.

Banking competition is very strong for loans, deposits, CD loans, and CD investments in the AA, limiting opportunities for smaller institutions. Competition exists from national institutions, large regional institutions, community banks and large credit unions. As of June 30, 2005, major banking competitors in the New York-Northern New Jersey-Long Island MSA include: JPMorgan Chase, which ranked first in market share of deposits (23.77 percent) with 383 offices; Citibank, which ranked second in market share of deposits (16.47 percent) with 244 offices; Bank of America, which ranked third in market share of deposits (6.63 percent) with 521 offices; HSBC Bank, which ranked fourth in market share of deposits (5.81 percent) with

188 offices; and Bank of New York, which ranked fifth in market share of deposits (4.81 percent) with 307 offices.

Amboy offers a traditional line of banking products for loans and deposits. The economy in the area is relatively stable. Major employers in the AA include: Wakefern Food, UPS, Wal-Mart Stores, Saint Barnabas Health Care System, Robert Wood Johnson Health Network, and Verizon New Jersey.

During the examination, we contacted a local housing organization. This organization is involved in expanding affordable housing resources and assisting potential homeowners in obtaining affordable housing. The organization primarily serves low- to moderate-income clients. Based on our review, the New York-Northern New Jersey-Long Island MSA is in need of affordable housing, which we considered in our evaluation of Amboy's performance under the Lending, Investment, and Service Tests.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. 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.
- 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.
- 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**

<b>LENDING VOLUME</b>												
<b>Geography: NEW JERSEY</b>												
<b>Evaluation Period: January 01, 2002 TO December 31, 2004</b>												
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Middlesex—Monmouth 2002	89.53	352	61,184	279	52,765	0	0	2	3,940	633	117,889	90.35
Middlesex—Monmouth 2003	89.15	370	67,507	268	53,043	0	0	3	1,869	641	122,419	
Middlesex—Monmouth 2004	91.38	139	29,948	230	45,832	0	0	2	1,600	371	77,380	
Middlesex—Monmouth 2005	50.00							1	225	1	225	
<b>Limited Review:</b>												
Mercer—Somerset 2002	9.34	26	4,868	40	5,287	0	0	0	0	66	10,155	7.11
Mercer—Somerset 2003	10.85	53	9,781	25	4,584	0	0	0	0	78	14,365	
Mercer—Somerset 2004	7.63	7	1,854	23	2,622	0	0	1	440	31	4,916	
Mercer—Somerset 2005	0.00							0	0	0	0	
Woodbridge 2002	0.99	1	198	6	1,381	0	0	0	0	7	1,579	2.54
Woodbridge 2003	0.00	0	0	0	0	0	0	0	0	0	0	
Woodbridge 2004	0.25	0	0	1	14	0	0	0	0	1	14	
Woodbridge 2005	0.00							0	0	0	0	
Broader Geographic 2002	0.14							1	1,400	1	1,400	
Broader Geographic 2003	0.00							0	0	0	0	
Broader Geographic 2004	0.74							3	7,891	3	7,891	
Broader Geographic 2005	50.00							1	10,075	1	10,075	

\* For 2002, Loan Data as of December 31, 2002. For 2003, Loan Data as of December 31, 2003. For 2004, Loan Data as of December 31, 2004. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is August 27, 2002 to June 30, 2005.

\*\*\* Deposit Data as of June 30, 2005. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 1. Other Products**

<b>LENDING VOLUME</b>		<b>Geography: NEW JERSEY</b>								<b>Evaluation Period: January 01, 2002 TO December 31, 2004</b>				
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)	
<b>Full Review:</b>														
Middlesex—Monmouth 2002	90.73	754	38,215	0	0	754	38,215	0	0	0	0	0	0	90.35
Middlesex—Monmouth 2003	90.37	751	44,851	0	0	751	44,851	0	0	0	0	0	0	
Middlesex—Monmouth 2004	92.45	673	47,049	0	0	673	47,049	0	0	0	0	0	0	
<b>Limited Review:</b>														
Mercer—Somerset 2002	9.03	75	5,144	0	0	75	5,144	0	0	0	0	0	0	7.11
Mercer—Somerset 2003	9.51	79	5,518	0	0	79	5,518	0	0	0	0	0	0	
Mercer—Somerset 2004	7.28	53	4,533	0	0	53	4,533	0	0	0	0	0	0	
Woodbridge 2002	0.24	2	115	0	0	2	115	0	0	0	0	0	0	2.54
Woodbridge 2003	0.12	1	50	0	0	1	50	0	0	0	0	0	0	
Woodbridge 2004	0.27	2	100	0	0	2	100	0	0	0	0	0	0	

\* For 2002, Loan Data as of December 31, 2002. For 2003, Loan Data as of December 31, 2003. For 2004, Loan Data as of December 31, 2004. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Optional Product Line(s) is from January 01, 2002 to December 31, 2004.

\*\*\* Deposit Data as of June 30, 2005. 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: January 01, 2002 TO December 31, 2004					Market Share (%) by Geography				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
Middlesex—Monmouth 2002	160	94.12	0.00	0.00	5.80	11.88	50.14	51.88	44.06	36.25	0.91	0.00	1.33	1.00	0.74	
Middlesex—Monmouth 2003	77	93.90	0.18	0.00	11.92	18.18	44.06	37.66	43.85	44.16	0.37	0.00	0.55	0.32	0.39	
Middlesex—Monmouth 2004	58	96.67	0.17	0.00	9.04	10.34	50.15	48.28	40.64	41.38	0.28	0.00	0.28	0.26	0.30	
<b>Limited Review:</b>																
Mercer—Somerset 2002	10	5.88	0.00	0.00	3.05	0.00	41.83	20.00	55.12	80.00	0.37	0.00	0.00	0.22	0.47	
Mercer—Somerset 2003	5	6.10	0.00	0.00	2.13	0.00	20.89	0.00	76.98	100.0	0.18	0.00	0.00	0.00	0.23	
Mercer—Somerset 2004	2	3.33	0.00	0.00	2.14	0.00	16.43	50.00	81.43	50.00	0.07	0.00	0.00	0.16	0.05	
Woodbridge 2002	0	0.00	0.00	0.00	0.00	0.00	100.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Woodbridge 2003	0	0.00	0.00	0.00	0.00	0.00	100.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Woodbridge 2004	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.0	0.00	0.00	0.00	0.00	0.00	0.00	

\* For 2002, based on 2002 Peer Mortgage Data (NE). For 2003, based on 2003 Peer Mortgage Data (NE). For 2004, based on 2004 Peer Mortgage Data (NE).

\*\* 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.

\*\*\* For 2002, 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. For 2003-2004, Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

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

Geographic Distribution: HOME MORTGAGE REFINANCE												Geography: NEW JERSEY				Evaluation Period: January 01, 2002 TO December 31, 2004				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*									
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp					
<b>Full Review:</b>																				
Middlesex—Monmouth 2002	189	91.75	0.00	0.00	5.80	5.29	50.14	53.97	44.06	40.74	0.40	0.00	0.48	0.50	0.32					
Middlesex—Monmouth 2003	286	85.89	0.18	0.00	11.92	15.03	44.06	55.59	43.85	29.37	0.38	0.00	0.73	0.48	0.23					
Middlesex—Monmouth 2004	77	93.90	0.17	0.00	9.04	1.30	50.15	70.13	40.64	28.57	0.25	0.00	0.04	0.33	0.19					
<b>Limited Review:</b>																				
Mercer—Somerset 2002	16	7.77	0.00	0.00	3.05	0.00	41.83	43.75	55.12	56.25	0.22	0.00	0.00	0.28	0.19					
Mercer—Somerset 2003	47	14.11	0.00	0.00	2.13	0.00	20.89	17.02	76.98	82.98	0.41	0.00	0.00	0.38	0.42					
Mercer—Somerset 2004	5	6.10	0.00	0.00	2.14	0.00	16.43	0.00	81.43	100.0	0.14	0.00	0.00	0.00	0.18					
Woodbridge 2002	1	0.49	0.00	0.00	0.00	0.00	100.0	100.0	0.00	0.00	0.28	0.00	0.00	0.28	0.00					
Woodbridge 2003	0	0.00	0.00	0.00	0.00	0.00	100.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00					
Woodbridge 2004	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.0	0.00	0.00	0.00	0.00	0.00	0.00					

\* For 2002, based on 2002 Peer Mortgage Data (NE). For 2003, based on 2003 Peer Mortgage Data (NE). For 2004, based on 2004 Peer Mortgage Data (NE).

\*\* 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.

\*\*\* For 2002, 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. For 2003-2004, Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 2000 Census information.

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY			Geography: NEW JERSEY								Evaluation Period: January 01, 2002 TO December 31, 2004				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Middlesex—Monmouth 2002	3	100.0	0.03	0.00	24.44	66.67	55.97	33.33	19.57	0.00	10.71	0.00	22.22	6.67	0.00
Middlesex—Monmouth 2003	7	100.0	0.82	0.00	30.90	85.71	50.47	14.29	17.81	0.00	15.56	0.00	33.33	5.00	0.00
Middlesex—Monmouth 2004	4	100.0	0.82	0.00	30.74	25.00	52.92	50.00	15.53	25.00	7.27	0.00	10.00	5.56	11.11
<b>Limited Review:</b>															
Mercer—Somerset 2002	0	0.00	0.00	0.00	4.26	0.00	82.74	0.00	13.00	0.00	0.00	0.00	0.00	0.00	0.00
Mercer—Somerset 2003	0	0.00	0.00	0.00	3.43	0.00	52.53	0.00	44.04	0.00	0.00	0.00	0.00	0.00	0.00
Mercer—Somerset 2004	0	0.00	0.00	0.00	3.43	0.00	52.53	0.00	44.04	0.00	0.00	0.00	0.00	0.00	0.00
Woodbridge 2002	0	0.00	0.00	0.00	0.00	0.00	100.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Woodbridge 2003	0	0.00	0.00	0.00	0.00	0.00	100.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Woodbridge 2004	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100.0	0.00	0.00	0.00	0.00	0.00	0.00

\* For 2002, based on 2002 Peer Mortgage Data (NE). For 2003, based on 2003 Peer Mortgage Data (NE). For 2004, based on 2004 Peer Mortgage Data (NE).

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

\*\*\* For 2002, 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. For 2003-2004, 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 2000 Census information.

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

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: NEW JERSEY						Evaluation Period: January 01, 2002 TO December 31, 2004						
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Middlesex—Monmouth 2002	279	85.85	0.00	0.00	0.00	8.24	0.00	65.95	0.00	25.81	0.94	1.43	1.14	1.10	0.73
Middlesex—Monmouth 2003	266	91.72	0.28	0.00	11.43	15.04	41.50	42.48	46.77	42.48	0.72	0.45	0.82	0.71	0.77
Middlesex—Monmouth 2004	228	90.48	0.28	0.00	8.96	10.96	49.90	52.19	40.85	36.84	0.60	0.56	0.78	0.59	0.58
<b>Limited Review:</b>															
Mercer—Somerset 2002	40	12.31	0.00	0.00	0.00	5.00	0.00	20.00	0.00	75.00	0.33	0.27	0.20	0.22	0.52
Mercer—Somerset 2003	24	8.28	0.00	0.00	5.22	4.17	24.06	8.33	70.53	87.50	0.20	0.00	0.14	0.11	0.29
Mercer—Somerset 2004	23	9.13	0.00	0.00	5.33	0.00	14.28	8.70	80.21	91.30	0.20	0.00	0.05	0.12	0.28
Woodbridge 2002	6	1.85	0.00	0.00	0.00	0.00	0.00	100.0	0.00	0.00	0.97	0.70	1.05	1.10	0.61
Woodbridge 2003	0	0.00	0.00	0.00	0.00	0.00	100.0	0.00	0.00	0.00	0.69	0.35	0.69	0.79	0.55
Woodbridge 2004	1	0.40	0.00	0.00	0.00	0.00	0.00	0.00	100.0	100.0	0.54	0.00	0.76	0.62	0.36

\* For 2002, based on 2002 Peer Small Business Data. For 2003, based on 2003 Peer Small Business Data – NJ. For 2004, based on 2004 Peer Small Business Data – NJ.

\*\* 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.

\*\*\* For 2002, Source Data – Dun and Bradstreet (2002). For 2003-2004, Source Data – Dun and Bradstreet (2003).

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

Borrower Distribution: HOME PURCHASE			Geography: NEW JERSEY								Evaluation Period: January 01, 2002 TO December 31, 2004				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Middlesex—Monmouth 2002	157	94.01	13.12	13.38	16.69	21.66	25.05	18.47	45.14	46.50	1.10	2.80	1.27	0.75	1.03
Middlesex—Monmouth 2003	73	93.59	15.21	16.44	16.33	26.03	22.42	20.55	46.04	36.99	0.43	1.54	0.61	0.31	0.34
Middlesex—Monmouth 2004	55	96.49	15.37	9.09	16.60	12.73	22.77	29.09	45.25	49.09	0.32	0.60	0.22	0.30	0.34
<b>Limited Review:</b>															
Mercer—Somerset 2002	10	5.99	7.94	20.00	15.03	0.00	25.89	30.00	51.14	50.00	0.45	1.52	0.00	0.51	0.43
Mercer—Somerset 2003	5	6.41	9.43	0.00	13.33	20.00	20.19	20.00	57.04	60.00	0.21	0.00	0.29	0.14	0.25
Mercer—Somerset 2004	2	3.51	8.05	0.00	11.75	0.00	18.61	0.00	61.59	100.0	0.09	0.00	0.00	0.00	0.15
Woodbridge 2002	0	0.00	17.03	0.00	21.45	0.00	28.68	0.00	32.84	0.00	0.00	0.00	0.00	0.00	0.00
Woodbridge 2003	0	0.00	11.38	0.00	17.10	0.00	26.01	0.00	45.51	0.00	0.00	0.00	0.00	0.00	0.00
Woodbridge 2004	0	0.00	9.18	0.00	15.37	0.00	22.95	0.00	52.50	0.00	0.00	0.00	0.00	0.00	0.00

\* For 2002, based on 2002 Peer Mortgage Data (NE). For 2003, based on 2003Peer Mortgage Data (NE). For 2004, based on 2004 Peer Mortgage Data (NE).

\*\* As a percentage of loans with borrower income information available. No information is available for 0.0% of loans originated and purchased by the bank.

\*\*\* For 2002, Percentage of Families is based on the 1990 Census information. For 2003-2004, Percentage of Families is based on the 2000 Census information.

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

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

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: NEW JERSEY				Evaluation Period: January 01, 2002 TO DECEMBER 31, 2004					Market Share				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
<b>Full Review:</b>																
Middlesex—Monmouth 2002	186	91.63	13.12	3.23	16.69	13.44	25.05	30.65	45.14	52.69	0.48	0.35	0.42	0.54	0.48	
Middlesex—Monmouth 2003	275	85.14	15.21	7.27	16.33	23.64	22.42	30.55	46.04	38.55	0.45	0.63	0.58	0.50	0.35	
Middlesex—Monmouth 2004	77	93.90	15.37	14.29	16.60	18.18	22.77	25.97	45.25	41.56	0.30	0.66	0.24	0.25	0.32	
<b>Limited Review:</b>																
Mercer—Somerset 2002	16	7.88	7.94	0.00	15.03	6.25	25.89	37.50	51.14	56.25	0.27	0.00	0.13	0.38	0.26	
Mercer—Somerset 2003	48	14.86	9.43	4.17	13.33	25.00	20.19	22.92	57.04	47.92	0.52	0.56	0.84	0.50	0.45	
Mercer—Somerset 2004	5	6.10	8.05	0.00	11.75	20.00	18.61	0.00	61.59	80.00	0.17	0.00	0.23	0.00	0.26	
Woodbridge 2002	1	0.49	17.03	100.0	21.45	0.00	28.68	0.00	32.84	0.00	0.34	4.17	0.00	0.00	0.00	
Woodbridge 2003	0	0.00	11.38	0.00	17.10	0.00	26.01	0.00	45.51	0.00	0.00	0.00	0.00	0.00	0.00	
Woodbridge 2004	0	0.00	9.18	0.00	15.37	0.00	22.95	0.00	52.50	0.00	0.00	0.00	0.00	0.00	0.00	

\* For 2002, based on 2002 Peer Mortgage Data (NE). For 2003, based on 2003 Peer Mortgage Data (NE). For 2004, based on 2004 Peer Mortgage Data (NE).

\*\* As a percentage of loans with borrower income information available. No information is available for 0.0% of loans originated and purchased by the bank.

\*\*\* For 2002, Percentage of Families is based on 1990 Census information. For 2003-2004, Percentage of Families is based on 2000 Census information.

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

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES					Geography: NEW JERSEY			Evaluation Period: January 01, 2002 TO December 31, 2004	
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
Middlesex—Monmouth 2002	279	85.85	0.00	83.15	55.20	20.43	24.37	0.94	2.96
Middlesex—Monmouth 2003	266	91.41	66.95	77.07	54.51	21.80	23.68	0.72	1.78
Middlesex—Monmouth 2004	230	90.55	67.71	76.09	46.96	26.96	26.09	0.60	1.49
<b>Limited Review:</b>									
Mercer—Somerset 2002	40	12.31	0.00	85.00	67.50	12.50	20.00	0.33	1.15
Mercer—Somerset 2003	25	8.59	68.11	64.00	52.00	20.00	28.00	0.20	0.42
Mercer—Somerset 2004	23	9.06	68.43	65.22	78.26	4.35	17.39	0.20	0.44
Woodbridge 2002	6	1.85	0.00	83.33	33.33	33.33	33.33	0.97	3.12
Woodbridge 2003	0	0.00	40.15	0.00	0.00	0.00	0.00	0.69	1.70
Woodbridge 2004	1	0.39	42.57	100.0	100.0	0.00	0.00	0.54	1.42

\* For 2002, based on 2002 Peer Small Business Data. For 2003, based on 2003 Peer Small Business Data – NJ. For 2004 based on 2004 Peer Small Business Data – NJ.

\*\* 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.

\*\*\* For 2002, Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B – 2002). For 2003, Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B – 2003). For 2004, Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B – 2004).

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

**Table 13. Geographic and Borrower Distribution of Consumer Loans**

<b>Geographic and Borrower Distribution: CONSUMER LOANS</b>																			<b>Geography: NEW JERSEY</b>				<b>Evaluation Period: January 01, 2002 TO December 31, 2004</b>			
MA/Assessment Area:	Geographic Distribution										Borrower Distribution ***															
	Total Consumer Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers									
	#	% of Total	% of Hhlds **	% of BANK Loans	% of Hhlds **	% of BANK Loans	% of Hhlds **	% of BANK Loans	% of Hhlds **	% of BANK Loans	% of Hhlds **	% of BANK Loans	% of Hhlds **	% of BANK Loans	% of Hhlds **	% of BANK Loans	% of Hhlds **	% of BANK Loans								
<b>Full Review:</b>																										
Middlesex—Monmouth 2002	754	90.73	0.16	0.00	9.86	5.31	51.05	62.33	38.93	32.36	17.26	12.73	14.54	21.62	21.24	30.11	46.78	33.95								
Middlesex—Monmouth 2003	751	90.37	0.38	0.00	15.73	15.31	45.70	54.73	38.18	29.96	18.78	11.32	14.97	21.44	18.62	27.56	47.64	38.08								
Middlesex—Monmouth 2004	673	92.45	0.38	0.00	12.97	2.67	51.60	67.76	35.05	29.57	18.73	10.40	14.90	18.28	18.59	25.56	47.78	43.83								
<b>Limited Review:</b>																										
Mercer—Somerset 2002	75	9.03	0.00	0.00	5.51	0.00	43.39	28.00	51.10	72.00	11.00	2.67	13.58	10.67	21.58	28.00	53.84	57.33								
Mercer—Somerset 2003	79	9.51	0.00	0.00	3.96	0.00	24.05	16.46	72.00	82.28	11.83	11.39	13.16	15.19	17.89	26.58	57.12	45.57								
Mercer—Somerset 2004	53	7.28	0.00	0.00	3.98	0.00	19.99	11.32	76.03	88.68	11.78	5.66	13.16	18.87	17.89	28.30	57.18	47.17								
Woodbridge 2002	2	0.24	0.00	0.00	0.00	0.00	100.0	100.0	0.00	0.00	19.46	50.00	17.83	0.00	27.43	50.00	35.28	0.00								
Woodbridge 2003	1	0.12	0.00	0.00	0.00	0.00	100.0	100.0	0.00	0.00	11.89	0.00	16.51	0.00	23.69	100.0	47.91	0.00								
Woodbridge 2004	2	0.27	0.00	0.00	0.00	0.00	0.00	0.00	100.0	100.0	11.89	0.00	16.51	100.0	23.69	0.00	47.91	0.00								

\* Consumer loans originated and purchased in the MA/AA as a percentage of all consumer loans originated and purchased in the rated area.

\*\* For 2002, Percentage of Households is based on the 1990 Census Information. For 2003-2004, Percentage of Households is based on the 2000 Census Information.

**Table 14. Qualified Investments**

<b>QUALIFIED INVESTMENTS</b>		<b>Geography: NEW JERSEY</b>				<b>Evaluation Period: August 27, 2002 TO June 30, 2005</b>			
MA/Assessment Area:	Prior Period Investments		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Middlesex—Monmouth	1	2,109	60	72	61	2,181	39.42	0	0
<b>Limited Review:</b>									
Mercer—Somerset	0	0	18	9	18	9	0.16	0	0
Woodbridge	0	0	0	0	0	0	0.00	0	0
<b>Broader Geographic Area/Multiple AAs:</b>	1	855	29	2,488	30	3,343	60.42	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**

<b>DISTRIBUTION OF BRANCH DELIVERY SYSTEMS AND BRANCH OPENINGS/CLOSINGS</b>				<b>Geography: NEW JERSEY</b>				<b>Evaluation Period: January 1, 2002 TO December 31, 2004</b>									
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Middlesex—Monmouth	90.4	16	80.00	0.0	12.5	62.5	25.0	3	0	0	0	+1	+2	0.40	11.27	49.96	38.37
<b>Limited Review:</b>																	
Mercer—Somerset	7.1	3	15.00	0.0	0.0	33.33	66.67	0	0	0	0	0	0	0.00	3.17	17.48	79.33
Woodbridge	2.5	1	5.00	0.0	0.0	100.0	0.0	0	0	0	0	0	0	0.00	0.00	0.00	100.0