



# LARGE BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## Public Disclosure

June 30, 2006

### Community Reinvestment Act Performance Evaluation

Wachovia Bank of Delaware, National Association  
Charter Number: 22559

One Rodney Square  
920 North King Street  
Wilmington, DE 19801-3361

Office of the Comptroller of the Currency

Large Bank Supervision  
250 E Street, SW  
Washington, DC 20019-0001

**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 **Wachovia Bank of Delaware, National Association**, with respect to the Lending, Investment, and Service Tests:

| Performance Levels        | Wachovia Bank of Delaware, N. A.<br>Performance Tests |                 |              |
|---------------------------|---|-----------------|--------------|
|                           | Lending Test*   | Investment Test | Service Test |
| Outstanding               | X   | X               | X            |
| High Satisfactory         |   |                 |              |
| 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:

- An excellent level of lending, good loan distribution among borrowers of different income levels, and good loan distribution among geographies of different income levels;
- An excellent level of community development lending that positively impacted the Lending Test rating;
- An excellent level of qualified community development investments; and
- An excellent distribution of branches accompanied by an excellent 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.

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

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

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

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
  - a. Rates of poverty, unemployment, and population loss; or
  - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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

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

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

**Home Mortgage Loans:** Such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes loans for multifamily (five or more families) dwellings, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

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

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

**Other Rated Area:** A rated area not selected as a Primary Rated Area. These areas are fully evaluated and receive full consideration in the overall rating process, but streamlined narrative descriptions are provided within the Public Disclosure.

**Primary Rated Area:** A rated area selected to receive a fully descriptive narrative evaluation within the Public Disclosure. These areas encompass a significant portion of the bank's overall operations.

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

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

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

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

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

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

## Description of Institution

**Wachovia Bank of Delaware, National Association (Wachovia)**, is headquartered in Wilmington, Delaware. Wachovia is an intrastate bank with total assets of approximately \$3.1 billion and Tier One Capital of approximately \$358 million. Wachovia operates 21 full-service branches in the three counties in Delaware. This evaluation also includes consideration given to lending in the area by Wachovia Mortgage Corporation (WMC), an affiliate.

Wachovia and WMC are subsidiaries of Wachovia Corporation, an interstate financial holding company with headquarters in Charlotte, North Carolina. Wachovia Corporation has total assets of approximately \$707 billion and operates approximately 3,000 full-service branches and nearly 5,000 ATMs in 15 states and the District of Columbia. Most of these operations are through its primary subsidiary, Wachovia Bank, National Association, also headquartered in Charlotte.

Wachovia's primary business strategy has been consumer focused. With a loan portfolio of approximately \$2 billion, loans secured by 1-4 family residences and consumer loans of approximately \$1 billion.

The prior CRA evaluation was performed as of June 30, 2003, and resulted in a rating of "Outstanding." There are no legal or financial impediments to impair the bank's ability to meet credit needs within the state of Delaware.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

Unless otherwise noted, conclusions drawn throughout this evaluation are based upon bank performance during calendar years 2004 and 2005. For community development activities, the evaluation period is July 2003 through June 2006.

### Data Integrity

As part of this evaluation, the public information filed by Wachovia on home mortgage and small loans to businesses was tested for accuracy. The test included an evaluation of the bank's processes to ensure that the data is reliable. Our office found no significant errors in the reported data. In addition, the other information provided for consideration was found to be reliable. The community development loan, investment and service information submitted by Wachovia management was tested to ensure that the regulatory definition was met. As a result, we excluded from this evaluation any information submitted for consideration that did not meet the community development definition or purpose.



## **Selection of Areas for Full-Scope Review**

The Wilmington-Newark (Wilmington) Metropolitan Division (MD) was selected as the full-scope area for this review. For additional information regarding this assessment area (AA) as well as a list of the limited-scope AAs, please refer to Appendix A.

## **Ratings**

The bank's overall rating is based primarily on the area that received a full-scope review. The AAs were weighted in proportion to the share of deposits held in the various AAs. Since the great majority of the operations, assets, and deposits of the bank are contained in the Wilmington MD, the rating was significantly influenced by the performance of the bank in this AA. In addition, since the bank originated a nominal amount of small loans to farms during the evaluation period, this lending is not part of the analysis. Home mortgage lending (purchase, improvement, and refinancing) is weighted heavily in the analysis.

## **Other**

Information provided by community organizations within Delaware was reviewed to obtain information about the bank's performance under the CRA. Information from other regulatory sources has also been utilized in the evaluation. Some of this information may be included in the market profile section found in Appendix B.

## **Fair Lending Review**

The OCC found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

## Conclusions with Respect to Performance Tests

### LENDING TEST

The Wachovia performance under the Lending Test in Delaware is rated "Outstanding."

#### Conclusions for Area Receiving Full-Scope Review

Based on a full-scope review, performance in the Wilmington MD is excellent. Performance in limited-scope assessment areas did not negatively impact the overall rating for the Lending Test in Delaware.

#### Lending Activity

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

Lending activity in the Wilmington MD is excellent. In the MD, Wachovia has a deposit market share of 1.16%, ranking ninth among deposit-taking institutions. Among all institutions, the bank has the eighteenth, eleventh, and eleventh market ranks in terms of numbers, for home purchase, home improvement, and home refinance loans, respectively. In dollar terms, the bank has the seventeenth, eleventh, and ninth market ranks for the aforementioned home mortgage products among all institutions. In addition, the bank has the seventh, seventh, and fourth market ranks for the number of home purchase, home improvement, and home refinance loans, respectively, among local deposit-taking institutions. In dollars, Wachovia has the sixth, sixth, and fourth market ranks among local deposit-taking institutions for the aforementioned home mortgage products.

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

##### *Home Mortgage Loans*

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

Geographic distribution for home purchase loans in the Wilmington MD is excellent. The percentage of loans originated in both low- and moderate-income geographies exceeds the percentage of owner-occupied units in those geographies. In addition, the market share of loans in both low- and moderate-income geographies exceeds the bank's overall market share within the AA.

Geographic distribution for home improvement loans in the Wilmington MD is adequate. The percentage of loans originated in low- and moderate-income geographies is well below and exceeds, respectively, the percentage of owner-occupied units in those

geographies. In addition, the market share of loans in low- and moderate-income geographies is well below and near to, respectively, the bank's overall market share within the AA.

Geographic distribution for home refinance loans in the Wilmington MD is excellent. The percentage of loans originated in both low- and moderate-income geographies exceeds the percentage of owner-occupied units in those geographies. In addition, the market share of loans in both low- and moderate-income geographies exceeds the bank's overall market share within 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 overall geographic distribution of small loans to businesses in the Wilmington MD is good. The distribution of small loans to businesses in low- and moderate-income geographies is well below and exceeds, respectively, the percentage of businesses in those geographies. The bank's market share of loans in low- and moderate-income geographies is near to and exceeds, respectively, the bank's overall market share of small loans to businesses in the MD.

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

Due to the minimal number of small loans to farms originated in the AA during the assessment period, lending for this product was not evaluated.

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

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

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

Borrower distribution of home purchase loans in the Wilmington MD is good. The portion of loans to low-income borrowers is below the percentage of low-income families in the AA. The portion of loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. In addition, the market share of loans to both low- and moderate-income borrowers is below the bank's overall market share of home purchase loans in the AA.

Borrower distribution of home improvement loans in the Wilmington MD is excellent. The portion of loans to both low- and moderate-income borrowers exceeds the percentage of low- and moderate-income families in the AA. In addition, the market share of loans to low- and moderate-income borrowers exceeds and is significantly

below, respectively, the bank's overall market share of home improvement loans in the AA.

Borrower distribution of home refinance loans in the Wilmington MD is excellent. The portion of loans to low-income borrowers is near to the percentage of low-income families in the AA. The portion of loans to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. The market share of home refinance loans to low- and moderate-income borrowers exceeds and is near to, respectively, the bank's overall market share of this type of loan in the AA.

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

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

The borrower distribution of small loans to businesses is adequate. The percentage of small loans to businesses is significantly below the percentage of small businesses in the AA. Also, the bank's market share of small loans to businesses is significantly below the bank's overall business loans market share. The bank makes a significant majority of these loans in smaller amounts.

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

Due to the minimal number of small loans to farms originated in the AA during the assessment period, lending for this product was not evaluated.

### **Lending Gap Analysis**

OCC evaluated Wachovia's lending distribution in the full-scope assessment area to determine if any unexplained conspicuous gaps existed. OCC reviewed maps and lending reports detailing the volume of home mortgage and small business loans in the assessment areas. No unexplained conspicuous gaps were identified.

### **Inside/Outside Ratio**

During the assessment period, Wachovia originated and purchased a majority of its home mortgage loans within its various assessment areas. In addition, the significant majority of its small business loans were originated within its assessment areas.

### **Community Development Lending**

Community development lending had a positive impact on the bank's lending performance in the Wilmington MD during the evaluation period. The bank originated two qualified community development loans totaling \$35.7 million. Both of these loans were for affordable housing and helped to finance almost 1,000 units of such housing.

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

Based on limited-scope reviews, Lending Test performance in the Dover MSA and in the Sussex Non-Metro AA is weaker than the overall Lending Test performance in Delaware. In the Dover MSA, this is due primarily to a less favorable geographic distribution of home mortgage loans. The weaker performance in the Sussex Non-Metro AA is due to less favorable geographic and borrower distribution of home mortgage loans and small loans to businesses.

## **INVESTMENT TEST**

**Wachovia's performance under the Investment Test in Delaware is rated "Outstanding."**

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

## **Conclusions for Area Receiving Full-Scope Review**

Based on a full-scope review, performance under the Investment Test in the Wilmington MD is excellent. Performance in the limited-scope AAs supports the overall rating.

During the evaluation period, Wachovia funded 136 investments in the AA totaling \$32.2 million. Prior period investments providing continuing benefit total an additional \$5.1 million. Wachovia invested \$7.6 million into the revitalization of historic properties as part of a local redevelopment plan; this will provide affordable housing as well as newly renovated commercial space. New Markets Tax Credit investments by Wachovia in the Wilmington MD total \$17 million. Other investments in the AA include \$6.2 million in affordable housing mortgage bonds and \$995 thousand in contributions to qualified community organizations and endeavors in the MD.

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

Based on limited-scope reviews, the bank's performance under the Investment Test in the Dover MSA and in the Sussex Non-Metro AA is not inconsistent with the bank's overall performance under the Investment Test in Delaware.

## SERVICE TEST

**Wachovia's performance under the Service Test in Delaware is rated "Outstanding."**

### Conclusions for Areas Receiving Full-Scope Reviews

Based on a full-scope review, Wachovia's performance in the Wilmington MD is excellent. Performance in the limited-scope AAs did not negatively impact the overall rating.

### Retail Banking Services

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

The analysis of Wachovia's distribution of branches primarily focused on the geographic distribution of the branches by income level of the geographies. However, the analysis also showed that there are cases where a branch that is located in a middle- or upper-income geography is actually within a few blocks of a neighboring low- or moderate-income geography, across the street in some cases. Those branches provide accessibility to both income areas. Accordingly, the analysis considered the benefit these "bordering branches" provided to the respective communities.

Wachovia provides banking services that are easily accessible to most portions of the bank's AAs. Alternate delivery systems help accessibility throughout all areas. Significant weight is not placed upon these systems in drawing conclusions; however, because demographic information about their use is not available.

The Wachovia service delivery systems in the Wilmington MD provide excellent access to geographies and individuals of different income levels. Wachovia's distribution of branches in low-income geographies is greater than the distribution of population in these geographies. While the distribution of branches in moderate-income geographies is lower than the population distribution in these geographies, there is one bordering branch that enhances the distribution that is shown and augments the residents' access to banking products and services.

The branch opening and closing activity did not significantly affect the overall number of branches in Delaware since two were opened and one was closed, but there was a positive impact in the Wilmington MD where an additional branch was opened in a moderate-income geography. During the evaluation period, Wachovia opened a branch in a moderate-income geography, increasing those residents' access to products and services.

Wachovia offers an extensive array of credit and deposit banking products. The bank also offers a full range of alternative delivery systems including ATMs, banking by

telephone or mail, and 24/7 online internet banking. These options allow customers to choose the method of banking that suits best. Hours are comparable among all locations regardless of the income level of the geography in the Wilmington MSA. There were no major inconsistencies among branches in this regard.

## **Community Development Services**

Wachovia demonstrated an excellent level of community development services in the Wilmington MD. Numerous qualified services addressed identified community development needs, several in a leadership capacity, and some with a high impact. Performance has focused on organizations or events that provide affordable housing or general financial literacy education to low- or moderate-income individuals or areas. The bank has also provided technical financial guidance to help small businesses.

- An organization provided financial literacy training by presenting 30 Money Smart classes that benefited over 600 low- or moderate-income persons, some of whom participate in the Individual Development Account program in the state of Delaware for first-time homebuyers of affordable homes. Wachovia provided technical financial guidance that allowed this organization to implement, administer, and conduct this Money Smart training, and an officer personally conducted several budgeting and cash management classes for the predominantly low- and moderate-income persons who attended. An officer also provides technical financial assistance on a regular basis as a member of the Economic Advancement Advisory Committee. This guidance has helped the organization develop and implement programs such as Stepping Stones to Self-Sufficiency and Homeownership Education, which target the areas low- and moderate-income population.
- A Wachovia officer provided the keynote address at a meeting that attracted over 50 small businesses. The officer provided technical financial information that was designed to improve the development of small businesses by increasing their access to capital, by taking better advantage of expanding markets, and by improving their penetration among low-wealth sectors of the economy. This event was presented, in part, by a small business development organization, whose mission is to provide small business entrepreneurs with information, training, and counseling to help them grow and manage their businesses.
- A not-for-profit organization that is focused on revitalizing a distressed area of Wilmington, in partnership with Wachovia, presented a workshop targeted for start-up and existing Hispanic small businesses. Ten small business owners from the distressed Wilmington area attended this individualized workshop where a Wachovia employee led the discussion on loan structuring and alternative capital sources.
- A housing fair, primarily for the benefit of the area's low- and moderate-income residents, had 45 persons in attendance. Wachovia provided technical

assistance for developing and implementing Home Counselor Online, a software program that significantly facilitates and lowers the cost of the lending process for those seeking to buy homes. The ultimate goal is to increase homeownership rates among low- and moderate-income minority persons by streamlining the administrative burden of the home-buying process.

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

Based on a limited-scope review, performance in the Dover MSA is weaker than the overall rating under the Service Test in the state of Delaware because there are no branches and no bordering branches in moderate-income areas. There are no low-income geographies in the MSA. Performance in the Sussex Non-Metro AA, where there are no low- or moderate-income geographies, is also weaker than the overall rating. This performance did not adversely impact the bank's overall rating.



## Appendix A: Scope of Examination

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

|   |  |                              |
|---|--|------------------------------|
| <b>Time Period Reviewed</b>                                   | <b>Lending Test (except CD Lending):</b> 01/01/04 to 12/31/05<br><b>Investment and Service Tests and Community Development aspects of Lending Test:</b> 07/01/03 to 06/30/06 |                              |
| <b>Financial Institution</b>                                  | <b>Products Reviewed</b>   |                              |
| Wachovia Bank of Delaware, N. A. (Wachovia)<br>Wilmington, DE | HMDA; Small Business; Community Development Loans, Services and Investments  |                              |
| <b>Affiliate(s)</b>   | <b>Affiliate Relationship</b>  | <b>Products Reviewed</b>     |
| Wachovia Mortgage Corporation (WMC)                           | Subsidiary of affiliate bank   | HMDA                         |
| <b>List of Assessment Areas and Type of Examination</b>       |  |                              |
| <b>Assessment Area</b>  | <b>Type of Exam</b>  | <b>Other Information</b>     |
| Dover MSA<br>Sussex Non-Metro<br>Wilmington-Newark MD         | Limited-Scope<br>Limited-Scope<br>Full-Scope   | Kent<br>Sussex<br>New Castle |

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

### Wilmington-Newark, DE

| Demographic Information for Full Scope Area: Wilmington-Newark, DE         |         |            |                      |               |              |            |
|--|---------|------------|----------------------|---------------|--------------|------------|
| Demographic Characteristics  | #       | Low % of # | Moderate % of #      | Middle % of # | Upper % of # | NA* % of # |
| Geographies (Census Tracts/BNAs)   | 127     | 7.87       | 18.11                | 48.03         | 25.20        | 0.79       |
| Population by Geography  | 500,265 | 4.17       | 17.63                | 50.63         | 27.58        | 0.00       |
| Owner-Occupied Housing by Geography  | 132,493 | 1.53       | 14.54                | 51.24         | 32.69        | 0.00       |
| Business by Geography  | 32,663  | 13.55      | 15.61                | 41.52         | 29.16        | 0.16       |
| Farms by Geography   | 552     | 2.05       | 13.55                | 43.73         | 40.66        | 0.01       |
| Family Distribution by Income Level  | 127,997 | 18.44      | 17.27                | 23.50         | 40.79        | 0.00       |
| Distribution of Low and Moderate Income Families throughout AA Geographies | 45,905  | 7.24       | 26.95                | 51.40         | 14.41        | 0.00       |
| Median Family Income   |         | 60,622     | Median Housing Value |               |              | 138,361    |
| HUD Adjusted Median Family Income for 2006                                 |         | 73,200     | Unemployment Rate    |               |              | 2.71%      |
| Households Below Poverty Level   |         | 8%         | (2000 US Census)     |               |              |            |

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

Source: 2000 US Census and 2006 HUD updated MFI

Wachovia's AA in the Wilmington-Newark MD, a part of the Philadelphia-Camden-Wilmington MSA, consists of New Castle County in Delaware. The MD also contains two additional counties, one each in Maryland and New Jersey, which are not part of the AA. Wachovia has 17 branches in the AA.

As of June 30, 2006, deposits in the AA totaled slightly more than \$1.5 billion. Wachovia is the 9th largest deposit holder in the AA with a market share of 1.16%. Major competitors in the market are ING Bank, FSB; Chase Bank USA, NA; Wilmington Trust Company; and Lehman Brothers Bank, FSB. ING Bank is the largest holder of deposits in the AA, with a market share in excess of 34%, followed by Chase Bank USA, holding approximately 20% of the market deposits.

The Wilmington MD has a well-diversified economy. Industry sectors with the greatest concentrations in employment include services, retail trade, finance, insurance and real estate, and manufacturing. Unemployment has run at approximately 4% or less in recent periods.

Information was obtained from community contacts conducted by various bank regulatory agencies. The following needs of LMI individuals or areas were identified during these community contacts:

- Grants for operations and programs
- In-kind contributions of equipment

- Personnel expertise
- Governing board and committee participation
- Technical support to combat perceived predatory lending
- Financial literacy and credit education
- Alternatives to payday lending and
- Individual Development Accounts (IDAs)

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: purchased loans are treated as originations/purchases 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 Metropolitan Area/Assessment Area (referenced as MA/Assessment Area and MA/AA). Tables without data are not included in this PE.

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

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/Assessment Area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As \_\_.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.
- Table 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 Home Mortgage 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 – Not applicable.**

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

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

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

**Table 1. Lending Volume**

| LENDING VOLUME             |                                    | Geography: STATE OF DELAWARE |            |                           |            |                      |            | Evaluation Period: JULY 1, 2003 TO JUNE 30, 2006 |            |                      |            |                                       |
|----------------------------|------------------------------------|------------------------------|------------|---------------------------|------------|----------------------|------------|--|------------|----------------------|------------|---------------------------------------|
| MA/Assessment Area (2005): | % 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>        |                                    |                              |            |                           |            |                      |            |  |            |                      |            |                                       |
| Wilmington MD              | 63.17                              | 1,736                        | 250,609    | 769                       | 115,052    | 3                    | 725        | 2  | 35,700     | 2,510                | 402,086    | 85.71                                 |
| <b>Limited Review:</b>     |                                    |                              |            |                           |            |                      |            |  |            |                      |            |                                       |
| Dover MSA                  | 16.74                              | 460                          | 53,130     | 99                        | 16,522     | 0                    | 0          | 1  | 2,000      | 560                  | 71,652     | 7.54                                  |
| Sussex Non-Metro           | 20.09                              | 552                          | 152,946    | 77                        | 15,077     | 1                    | 13         | 0  | 0          | 630                  | 168,036    | 6.76                                  |

\* Loan Data as of December 31, 2005. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is From July 1, 2003 to June 30, 2006.

\*\*\* Deposit Data as of March 31, 2006. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

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

| Geographic Distribution: HOME PURCHASE |                           |              | Geography: STATE OF DELAWARE |              |                             |              |                           |              |                          |              | Evaluation Period: JULY 1, 2003 TO JUNE 30, 2006 |      |      |      |      |
|--|---------------------------|--------------|------------------------------|--------------|-----------------------------|--------------|---------------------------|--------------|--------------------------|--------------|--|------|------|------|------|
| MA/Assessment Area:                    | Total Home Purchase Loans |              | Low-Income Geographies       |              | Moderate-Income Geographies |              | Middle-Income Geographies |              | Upper-Income Geographies |              | Market Share (%) by Geography*                   |      |      |      |      |
|  | #                         | % of Total** | % Owner Occ Units***         | % BANK Loans | % Owner Occ Units***        | % BANK Loans | % Owner Occ Units***      | % BANK Loans | % Owner Occ Units***     | % BANK Loans | Overall  | Low  | Mod  | Mid  | Upp  |
| <b>Full Review:</b>                    |                           |              |                              |              |                             |              |                           |              |                          |              |  |      |      |      |      |
| Wilmington MD                          | 408                       | 51.45        | 1.53                         | 3.68         | 14.54                       | 20.59        | 51.24                     | 44.36        | 32.69                    | 31.37        | 1.29   | 2.04 | 1.65 | 1.06 | 1.42 |
| <b>Limited Review:</b>                 |                           |              |                              |              |                             |              |                           |              |                          |              |  |      |      |      |      |
| Dover MSA                              | 146                       | 18.41        | 0.00                         | 0.00         | 5.30                        | 4.11         | 82.64                     | 79.45        | 12.06                    | 16.44        | 1.35   | 0.00 | 0.47 | 1.24 | 2.50 |
| Sussex Non Metro                       | 239                       | 30.14        | 0.00                         | 0.00         | 0.00                        | 0.00         | 90.18                     | 59.00        | 9.82                     | 41.00        | 1.55   | 0.00 | 0.00 | 1.17 | 2.80 |

\* Based on 2004 aggregate HMDA Data.

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

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



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

| Geographic Distribution: HOME IMPROVEMENT |                              |              | Geography: STATE OF DELAWARE |              |                             |              |                           |              |                          |              | Evaluation Period: JULY 1, 2003 TO JUNE 30, 2006 |      |      |      |      |
|---|------------------------------|--------------|------------------------------|--------------|-----------------------------|--------------|---------------------------|--------------|--------------------------|--------------|--|------|------|------|------|
| MA/Assessment Area:                       | Total Home Improvement Loans |              | Low-Income Geographies       |              | Moderate-Income Geographies |              | Middle-Income Geographies |              | Upper-Income Geographies |              | Market Share (%) by Geography*                   |      |      |      |      |
|   | #                            | % of Total** | % Owner Occ Units***         | % BANK Loans | % Owner Occ Units***        | % BANK Loans | % Owner Occ Units***      | % BANK Loans | % Owner Occ Units***     | % BANK Loans | Overall  | Low  | Mod  | Mid  | Upp  |
| <b>Full Review:</b>                       |                              |              |                              |              |                             |              |                           |              |                          |              |  |      |      |      |      |
| Wilmington MD                             | 138                          | 72.25        | 1.53                         | 0.72         | 14.54                       | 15.22        | 51.24                     | 51.45        | 32.69                    | 32.61        | 1.84   | 0.00 | 1.66 | 1.71 | 2.30 |
| <b>Limited Review:</b>                    |                              |              |                              |              |                             |              |                           |              |                          |              |  |      |      |      |      |
| Dover MSA                                 | 27                           | 14.14        | 0.00                         | 0.00         | 5.30                        | 0.00         | 82.64                     | 88.89        | 12.06                    | 11.11        | 1.89   | 0.00 | 0.00 | 1.92 | 2.56 |
| Sussex Non Metro                          | 26                           | 13.61        | 0.00                         | 0.00         | 0.00                        | 0.00         | 90.18                     | 80.77        | 9.82                     | 19.23        | 1.16   | 0.00 | 0.00 | 0.74 | 5.95 |

\* Based on 2004 aggregate HMDA data.

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

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

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

| Geographic Distribution: HOME MORTGAGE REFINANCE |                                     |              | Geography: STATE OF DELAWARE |              |                             |              |                           |              |                          |              | Evaluation Period: JULY 1, 2003 TO JUNE 30, 2006 |      |      |      |      |
|--|-------------------------------------|--------------|------------------------------|--------------|-----------------------------|--------------|---------------------------|--------------|--------------------------|--------------|--|------|------|------|------|
| 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***               | % 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>                              |                                     |              |                              |              |                             |              |                           |              |                          |              |  |      |      |      |      |
| Wilmington MD                                    | 1,189                               | 67.44        | 1.53                         | 1.85         | 14.54                       | 15.31        | 51.24                     | 51.47        | 32.69                    | 31.37        | 2.45   | 2.90 | 2.79 | 2.23 | 2.68 |
| <b>Limited Review:</b>                           |                                     |              |                              |              |                             |              |                           |              |                          |              |  |      |      |      |      |
| Dover MSA  | 287                                 | 16.28        | 0.00                         | 0.00         | 5.30                        | 1.05         | 82.64                     | 84.67        | 12.06                    | 14.29        | 2.98   | 0.00 | 0.48 | 3.19 | 2.46 |
| Sussex Non Metro                                 | 287                                 | 16.28        | 0.00                         | 0.00         | 0.00                        | 0.00         | 90.18                     | 52.26        | 9.82                     | 47.74        | 1.59   | 0.00 | 0.00 | 1.05 | 3.54 |

\* Based on 2004 aggregate HMDA data.

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

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

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

| Geographic Distribution: MULTIFAMILY |                         |                          | Geography: STATE OF DELAWARE |              |                             |              |                           |              |                           |              | Evaluation Period: JULY 1, 2003 TO JUNE 30, 2006 |      |      |      |      |
|--------------------------------------|-------------------------|--------------------------|------------------------------|--------------|-----------------------------|--------------|---------------------------|--------------|---------------------------|--------------|--|------|------|------|------|
| MA/Assessment Area:                  | Total Multifamily Loans |                          | Low-Income Geographies       |              | Moderate-Income Geographies |              | Middle-Income Geographies |              | Upper-Income Geographies  |              | Market Share (%) by Geography <sup>*</sup>       |      |      |      |      |
|                                      | #                       | % of Total <sup>**</sup> | % of MF Units <sup>***</sup> | % BANK Loans | % MF Units <sup>***</sup>   | % BANK Loans | % MF Units <sup>***</sup> | % BANK Loans | % MF Units <sup>***</sup> | % BANK Loans | Overall  | Low  | Mod  | Mid  | Upp  |
| <b>Full Review:</b>                  |                         |                          |                              |              |                             |              |                           |              |                           |              |  |      |      |      |      |
| Wilmington MD                        | 1                       | 100.00                   | 5.53                         | 0.00         | 21.17                       | 0.00         | 53.68                     | 100.00       | 19.62                     | 0.00         | 0.00   | 0.00 | 0.00 | 0.00 | 0.00 |
| <b>Limited Review:</b>               |                         |                          |                              |              |                             |              |                           |              |                           |              |  |      |      |      |      |
| Dover MSA                            | 0                       | 0.00                     | 0.00                         | 0.00         | 12.38                       | 0.00         | 66.39                     | 0.00         | 21.24                     | 0.00         | 0.00   | 0.00 | 0.00 | 0.00 | 0.00 |
| Sussex Non-Metro                     | 0                       | 0.00                     | 0.00                         | 0.00         | 0.00                        | 0.00         | 45.38                     | 0.00         | 54.62                     | 0.00         | 0.00   | 0.00 | 0.00 | 0.00 | 0.00 |

<sup>\*</sup> Based on 2004 aggregate HMDA data.

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

<sup>\*\*\*</sup> 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: <b>SMALL LOANS TO BUSINESSES</b> |                            | Geography: <b>STATE OF DELAWARE</b> |                        | Evaluation Period: <b>JULY 1, 2003 TO JUNE 30, 2006</b> |                             |              |                           |              |                          |              |                                |              |         |      |      |     |
|---|----------------------------|-------------------------------------|------------------------|---|-----------------------------|--------------|---------------------------|--------------|--------------------------|--------------|--------------------------------|--------------|---------|------|------|-----|
| 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 | % of Businesses***             | % BANK Loans | Overall | Low  | Mod  | Mid |
| <b>Full Review:</b>                                       |                            |                                     |                        |   |                             |              |                           |              |                          |              |                                |              |         |      |      |     |
| Wilmington MD   | 769                        | 81.38                               | 13.55                  | 5.85  | 15.61                       | 16.51        | 41.52                     | 43.17        | 29.16                    | 34.46        | 3.48                           | 3.04         | 3.92    | 3.19 | 3.79 |     |
| <b>Limited Review:</b>                                    |                            |                                     |                        |   |                             |              |                           |              |                          |              |                                |              |         |      |      |     |
| Dover MSA   | 99                         | 10.48                               | 0.00                   | 0.00  | 10.87                       | 8.08         | 73.48                     | 78.79        | 15.65                    | 13.13        | 1.99                           | 0.00         | 1.66    | 2.11 | 1.52 |     |
| Sussex Non Metro  | 77                         | 8.15                                | 0.00                   | 0.00  | 0.00                        | 0.00         | 79.47                     | 68.83        | 20.53                    | 31.17        | 0.74                           | 0.00         | 0.00    | 0.61 | 1.28 |     |

\* Based on 2004 aggregate small business data.

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

\*\*\* Source Data - Dun and Bradstreet (October 2004).

**Table 7. Geographic Distribution of Small Loans to Farms**

| Geographic Distribution: <b>SMALL LOANS TO FARMS</b> |                        | Geography: <b>STATE OF DELAWARE</b> |                           |              |                             |              |                           |              |                          | Evaluation Period: <b>JULY 1, 2003 TO JUNE 30, 2006</b> |  |      |       |      |      |
|--|------------------------|-------------------------------------|---------------------------|--------------|-----------------------------|--------------|---------------------------|--------------|--------------------------|---|--|------|-------|------|------|
| MA/Assessment Area:                                  | Total Small Farm Loans |                                     | Low-Income Geographies    |              | Moderate-Income Geographies |              | Middle-Income Geographies |              | Upper-Income Geographies |   | Market Share (%) by Geography <sup>*</sup> |      |       |      |      |
|  | #                      | % of Total <sup>**</sup>            | % of Farms <sup>***</sup> | % BANK Loans | % of Farms <sup>**</sup>    | % BANK Loans | % of Farms <sup>**</sup>  | % BANK Loans | % of Farms <sup>**</sup> | % BANK Loans  | Overall                                    | Low  | Mod   | Mid  | Upp  |
| <b>Full Review:</b>                                  |                        |                                     |                           |              |                             |              |                           |              |                          |   |  |      |       |      |      |
| Wilmington MD  | 3                      | 75.00                               | 2.05                      | 0.00         | 13.55                       | 33.33        | 43.73                     | 0.00         | 40.66                    | 66.67   | 5.41                                       | 0.00 | 25.00 | 0.00 | 5.26 |
| <b>Limited Review:</b>                               |                        |                                     |                           |              |                             |              |                           |              |                          |   |  |      |       |      |      |
| Dover MSA  | 0                      | 0.00                                | 0.00                      | 0.00         | 7.57                        | 0.00         | 86.12                     | 0.00         | 6.31                     | 0.00  | 0.00                                       | 0.00 | 0.00  | 0.00 | 0.00 |
| Sussex Non Metro                                     | 1                      | 25.00                               | 0.00                      | 0.00         | 0.00                        | 0.00         | 95.66                     | 0.00         | 4.34                     | 100.00  | 0.00                                       | 0.00 | 0.00  | 0.00 | 0.00 |

<sup>\*</sup> Based on 2004 aggregate small farm data.

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

<sup>\*\*\*</sup> Source Data - Dun and Bradstreet (October 2004).

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

| Borrower Distribution: HOME PURCHASE |                           |              | Geography: STATE OF DELAWARE |                  |                           |                  |                         |                  |                        |                  | Evaluation Period: JULY 1, 2003 TO JUNE 30, 2006 |      |      |      |      |
|--------------------------------------|---------------------------|--------------|------------------------------|------------------|---------------------------|------------------|-------------------------|------------------|------------------------|------------------|--|------|------|------|------|
| 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**** | Overall  | Low  | Mod  | Mid  | Upp  |
| <b>Full Review:</b>                  |                           |              |                              |                  |                           |                  |                         |                  |                        |                  |  |      |      |      |      |
| Wilmington MD                        | 408                       | 51.45        | 18.44                        | 9.23             | 17.27                     | 22.46            | 23.50                   | 29.23            | 40.79                  | 39.08            | 1.37   | 1.11 | 1.02 | 1.38 | 1.75 |
| <b>Limited Review:</b>               |                           |              |                              |                  |                           |                  |                         |                  |                        |                  |  |      |      |      |      |
| Dover MSA                            | 146                       | 18.41        | 18.77                        | 5.56             | 18.67                     | 17.59            | 23.17                   | 25.93            | 39.39                  | 50.93            | 1.09   | 1.21 | 1.14 | 0.72 | 1.33 |
| Sussex Non Metro                     | 239                       | 30.14        | 18.14                        | 2.60             | 19.53                     | 9.74             | 23.97                   | 7.79             | 38.36                  | 79.87            | 1.37   | 0.62 | 0.96 | 0.80 | 1.59 |

\* Based on 2004 aggregate HMDA data.

\*\* As a percentage of loans with borrower income information available. No information was available for 18% of loans originated and purchased by Wachovia.

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

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

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

| Borrower Distribution: HOME IMPROVEMENT |                              |              | Geography: STATE OF DELAWARE |                  |                           |                  |                         |                  |                        |                  | Evaluation Period: JULY 1, 2003 TO JUNE 30, 2006 |      |      |      |      |
|---|------------------------------|--------------|------------------------------|------------------|---------------------------|------------------|-------------------------|------------------|------------------------|------------------|--|------|------|------|------|
| MA/Assessment Area:                     | Total Home Improvement Loans |              | Low-Income Borrowers         |                  | Moderate-Income Borrowers |                  | Middle-Income Borrowers |                  | Upper-Income Borrowers |                  | Market Share*                                    |      |      |      |      |
|   | #                            | % of Total** | % Families***                | % BANK Loans**** | % Families***             | % BANK Loans**** | % Families***           | % BANK Loans**** | % Families***          | % BANK Loans**** | Overall  | Low  | Mod  | Mid  | Upp  |
| <b>Full Review:</b>                     |                              |              |                              |                  |                           |                  |                         |                  |                        |                  |  |      |      |      |      |
| Wilmington MD                           | 138                          | 72.25        | 18.44                        | 20.44            | 17.27                     | 17.52            | 23.50                   | 29.20            | 40.79                  | 32.85            | 1.86   | 3.26 | 0.99 | 2.04 | 1.80 |
| <b>Limited Review:</b>                  |                              |              |                              |                  |                           |                  |                         |                  |                        |                  |  |      |      |      |      |
| Dover MSA                               | 27                           | 14.14        | 18.77                        | 3.70             | 18.67                     | 48.15            | 23.17                   | 18.52            | 39.39                  | 29.63            | 1.96   | 1.59 | 5.49 | 0.52 | 1.01 |
| Sussex Non Metro                        | 26                           | 13.61        | 18.14                        | 8.00             | 19.53                     | 20.00            | 23.97                   | 8.00             | 38.36                  | 64.00            | 1.09   | 1.04 | 0.98 | 0.35 | 1.68 |

\* Based on 2004 aggregate HMDA data.

\*\* As a percentage of loans with borrower income information available. No information was available for 1% of loans originated and purchased by Wachovia.

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

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

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

| Borrower Distribution: HOME MORTGAGE REFINANCE |                                     |              | Geography: STATE OF DELAWARE |                  |                           |                  |                         |                  |                        |                  | Evaluation Period: JULY 1, 2003 TO JUNE 30, 2006 |      |      |      |      |
|--|-------------------------------------|--------------|------------------------------|------------------|---------------------------|------------------|-------------------------|------------------|------------------------|------------------|--|------|------|------|------|
| MA/Assessment Area:                            | Total Home Mortgage Refinance Loans |              | Low-Income Borrowers         |                  | Moderate-Income Borrowers |                  | Middle-Income Borrowers |                  | Upper-Income Borrowers |                  | Market Share*                                    |      |      |      |      |
|  | #                                   | % of Total** | % Families***                | % BANK**** Loans | % Families***             | % BANK**** Loans | % Families***           | % BANK**** Loans | % Families***          | % BANK**** Loans | Overall  | Low  | Mod  | Mid  | Upp  |
| <b>Full Review:</b>                            |                                     |              |                              |                  |                           |                  |                         |                  |                        |                  |  |      |      |      |      |
| Wilmington MD                                  | 1,189                               | 67.44        | 18.44                        | 12.82            | 17.27                     | 24.55            | 23.50                   | 26.09            | 40.79                  | 36.55            | 2.75   | 3.58 | 2.44 | 2.75 | 2.73 |
| <b>Limited Review:</b>                         |                                     |              |                              |                  |                           |                  |                         |                  |                        |                  |  |      |      |      |      |
| Dover MSA                                      | 287                                 | 16.28        | 18.77                        | 4.26             | 18.67                     | 23.64            | 23.17                   | 32.17            | 39.39                  | 39.92            | 3.53   | 0.85 | 3.63 | 4.72 | 3.06 |
| Sussex Non Metro                               | 287                                 | 16.28        | 18.14                        | 5.63             | 19.53                     | 15.15            | 23.97                   | 19.91            | 38.36                  | 59.31            | 1.61   | 1.23 | 1.29 | 1.51 | 1.79 |

\* Based on 2004 aggregate HMDA data.

\*\* As a percentage of loans with borrower income information available. No information was available for 1% of loans originated and purchased by Wachovia.

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

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



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

| Borrower Distribution: <b>SMALL LOANS TO BUSINESSES</b> |                                 |              |   |                  | Geography: <b>STATE OF DELAWARE</b>                  |                         |                           | Evaluation Period: <b>JULY 1, 2003 TO JUNE 30, 2006</b> |                         |
|---|---------------------------------|--------------|---|------------------|--|-------------------------|---------------------------|---|-------------------------|
| 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>                                     |                                 |              |   |                  |  |                         |                           |   |                         |
| Wilmington MD   | 769                             | 81.38        | 69.67   | 48.32            | 69.31  | 14.17                   | 16.51                     | 3.48  | 2.10                    |
| <b>Limited Review:</b>                                  |                                 |              |   |                  |  |                         |                           |   |                         |
| Dover MSA   | 99                              | 10.48        | 66.04   | 46.88            | 62.63  | 14.14                   | 23.23                     | 1.99  | 1.59                    |
| Sussex Non Metro  | 77                              | 8.15         | 73.94   | 45.95            | 57.14  | 12.99                   | 29.87                     | 0.74  | 0.44                    |

\* Based on 2004 small business data.

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source Dun & Bradstreet - 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 40% of small loans to businesses originated and purchased by the bank.

**Table 12. Borrower Distribution of Small Loans to Farms**

| Borrower Distribution: <b>SMALL LOANS TO FARMS</b> |                            |              |  | Geography: <b>STATE OF DELAWARE</b> |  |                         | Evaluation Period: <b>JULY 1, 2003 TO JUNE 30, 2006</b> |               |                         |
|--|----------------------------|--------------|--|-------------------------------------|--|-------------------------|---|---------------|-------------------------|
| MA/Assessment Area:                                | Total Small Loans to Farms |              | Farms With Revenues of \$1 million or less |                                     | Loans by Original Amount Regardless of Farm Size |                         |   | Market Share* |                         |
|  | #                          | % of Total** | % of Farms***                              | % BANK Loans****                    | \$100,000 or less                                | >\$100,000 to \$250,000 | >\$250,000 to \$1,000,000                               | All           | Rev\$ 1 Million or Less |
| <b>Full Review:</b>                                |                            |              |  |                                     |  |                         |   |               |                         |
| Wilmington MD                                      | 3                          | 75.00        | 92.33                                      | 66.67                               | 33.33  | 33.33                   | 33.33   | 5.41          | 3.85                    |
| <b>Limited Review:</b>                             |                            |              |  |                                     |  |                         |   |               |                         |
| Dover MSA  | 0                          | 0.00         | 94.64                                      | 0.00                                | 0.00   | 0.00                    | 0.00  | 0.00          | 0.00                    |
| Sussex Non Metro                                   | 1                          | 25.00        | 97.29                                      | 0.00                                | 100.00   | 0.00                    | 0.00  | 0.00          | 0.00                    |

\* Based on 2004 small business data.

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

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source Dun & Bradstreet - 2004).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 20% of small loans to farms originated and purchased by the bank.

**Table 14. Qualified Investments**

| QUALIFIED INVESTMENTS  |                           | Geography: DELAWARE |                            |           |                   | Evaluation Period: JULY 1, 2003 to JUNE 30, 2006 |            |                        |           |
|------------------------|---------------------------|---------------------|----------------------------|-----------|-------------------|--|------------|------------------------|-----------|
| 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>    |                           |                     |                            |           |                   |  |            |                        |           |
| Wilmington MD          | 7                         | 5,163               | 136                        | 32,161    | 143               | 37,325   | 91.95      | 1                      | 111       |
| <b>Limited Review:</b> |                           |                     |                            |           |                   |  |            |                        |           |
| Dover MSA              | 2                         | 1,161               | 20                         | 730       | 22                | 1,891  | 4.66       | 0                      | 0         |
| Sussex Non-Metro       | 4                         | 867                 | 11                         | 511       | 15                | 1,377  | 3.39       | 0                      | 0         |

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

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

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

| DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: DELAWARE Evaluation Period: JULY 1, 2003 TO JUNE 30, 2006 |                                |                    |                                |   |       |        |       |                          |                      |   |     |     |     |                                       |       |       |       |
|--|--------------------------------|--------------------|--------------------------------|---|-------|--------|-------|--------------------------|----------------------|---|-----|-----|-----|---------------------------------------|-------|-------|-------|
| 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>  |                                |                    |                                |   |       |        |       |                          |                      |   |     |     |     |                                       |       |       |       |
| Wilmington MD  | 85.71                          | 17                 | 80.95                          | 5.88  | 11.76 | 35.29  | 47.06 | 1                        | 1                    | 0   | 1   | 0   | -1  | 4.17                                  | 17.63 | 50.63 | 27.58 |
| <b>Limited Review:</b>   |                                |                    |                                |   |       |        |       |                          |                      |   |     |     |     |                                       |       |       |       |
| Dover MSA  | 7.54                           | 2                  | 9.52                           | 0.00  | 0.00  | 50.00  | 50.00 | 0                        | 0                    | 0   | 0   | 0   | 0   | 0.00                                  | 8.88  | 77.69 | 13.42 |
| Sussex Non Metro   | 6.76                           | 2                  | 9.52                           | 0.00  | 0.00  | 100.00 | 0.00  | 1                        | 0                    | 0   | 0   | 1   | 0   | 0.00                                  | 0.00  | 92.26 | 7.74  |