



INTERMEDIATE SMALL BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

September 12, 2005

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Minotola National Bank
Charter Number 10440**

**1748 South Lincoln Avenue
Vineland, NJ 08362**

**Comptroller of the Currency
Eastern Pennsylvania Field Office
3325 Street Road, Suite 120
Bensalem, PA 19020**

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, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

INSTITUTION'S CRA RATING:

Minotola National Bank (MNB) is rated Satisfactory.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

The primary factors supporting MNB's overall rating include:

- A more than reasonable average loan to deposit ratio during the evaluation period.
- A substantial majority of MNB's home mortgage and small loans to businesses were within the assessment area (AA).
- A good penetration of loans to borrowers of different income levels.
- The geographic distribution of home mortgage and small loans to businesses reflects good dispersion throughout the AA.
- Adequate responsiveness to the community development needs through community development loans and services.

SCOPE OF EXAMINATION

MNB has designated one AA consisting of 100 census tracts. This designation includes the entire Cumberland County (CC), and portions of Atlantic (AC) and Gloucester (GC) counties in Southern New Jersey. We selected the portions of the bank's AA located in CC (Metropolitan Statistical Area (MSA) 47220) for a full-scope review as this area represents the significant majority of the bank's lending activity. Accordingly, a limited-scope review will be performed on AC (MSA 12100) and GC (Metropolitan Division (MD) 15804 – part of the Philadelphia MSA). The following details the lending activity in the three areas for reported HMDA and small loans to businesses for the evaluation period.

Distribution by MSA//MD	Cumberland County MSA 47220	Atlantic County MSA 12100	Gloucester County MD 15804
2002	68.77%	27.16%	4.07%
2003	65.93%	26.78%	7.29%
2004	69.95%	23.36%	6.02%
Average	68.22%	25.77%	5.79%

The evaluation period for the lending test is from January 1, 2002 to December 31, 2004 for home mortgage products and small business lending. Home Mortgage Disclosure Act (HMDA) reportable mortgages except for multi-family dwellings loans and small loans to businesses that were originated or purchased during the evaluation period were included. Loans to small farms and multi-family dwellings were excluded due to the low volume. The following table summarizes the volume of lending over the evaluation period.

Table A

Loan Type	% by Dollars of Loans Originated/Purchased during evaluation period	% by Number of Loans Originated/Purchased during evaluation period
Home Mortgage	49.74%	40.91%
Small Loans to Businesses	48.77%	58.11%
Farm Loans	1.49%	0.98%
Total	100%	100%

Source: Home Loans based on HMDA data reported; Business and Farm Loans based on CRA data reported.

For the community development (CD) test, the evaluation period is from May 14, 2002 to September 12, 2005. We considered qualified CD loans, investments and services in conducting this test. Lincoln Investment Company (LIC) is a wholly owned subsidiary of the bank used to hold bank-qualified investments. Of the three subsidiaries, only LIC was considered during this review.

As part of this CRA evaluation, publicly filed information for HMDA reportable loans and loans to small business and small farms were tested for accuracy. The data integrity of HMDA reportable loans and small loans to businesses and farms was accurate. CD loans, investments

and services submitted by management were also verified to ensure that they met the regulatory definition for CD.

DESCRIPTION OF INSTITUTION

Minotola National Bank is a community banking institution with total assets of \$590 million as of December 31, 2004. They have no holding company. The bank, located in Vineland, New Jersey, is a full service, intrastate bank offering a wide array of loan and deposit products. The bank has three operating subsidiaries: Central-Atlantic Leasing located in Hammonton, NJ; Central Atlantic Merchant Services located in Vineland, NJ; and Lincoln Investment Company located in Wilmington, DE. Central-Atlantic Leasing was established in 1997 and performs all leasing services for the bank. Central-Atlantic Merchant Services, established in 1999, provides merchant processing for MNB and other financial institutions. Lincoln Investment Company is a wholly owned subsidiary of the bank used to hold bank-qualified investments. None of these subsidiaries adversely impact the bank's ability to help meet its community credit needs. There were no identified impediments to the bank's ability to meet the community credit needs.

MNB has a network of fourteen branch offices and two loan production centers throughout its AA. Seven branch offices are located in Cumberland County (MSA 47220), six branches are located in Atlantic County (MSA 12100), and one branch is located in Gloucester County (MD) 15804). The bank provides drive-up facilities at all branches. Automated teller machines are available at ten branch locations and a cash-dispensing machine is found at the Cumberland County College student center.

During the review period, MNB opened four new branch locations. These openings were located in Hammonton in Atlantic County, and Bridgeton, Millville and Upper Deerfield in Cumberland County. No branches were closed during the evaluation period.

MNB remains a community bank with a focus on serving the needs of its community. Business strategies are targeted to servicing the needs of the AA rather than investment in state or outside AA opportunities. Primary products include commercial real estate loans, residential mortgages and business loans. While not reported in the Home Mortgage Disclosure Act data, MNB refers first time home purchasers to the New Jersey First Time Home Buyers program of the New Jersey Home Mortgage Financing Agency (NJHMFA). MNB referred a total of 141 applicants or \$14.7 million in 2002 through 2004 to NJHMFA. As of December 31, 2004, the bank had total loans of approximately \$475 million, or 80% of total assets. The portfolio consisted of commercial and commercial real estate loans at 68%, residential real estate loans at 13%, construction loans at 7%, leasing at 5%, home equity lines at 3% and loans to individuals at 1%. The remaining 3% of the portfolio is primarily comprised of multifamily and municipal loans. As of December 31, 2004, MNB reported Tier 1 capital of \$78 million.

MNB's previous CRA examination was conducted as of May 13, 2002, and the bank was assigned an overall rating of Satisfactory.

DESCRIPTION OF MNB'S ASSESSMENT AREA

MNB's AA meets the requirements of the Community Reinvestment Act (CRA) and does not arbitrarily exclude low or moderate-income geographies. During the evaluation period, MNB expanded the AA to cover additional areas in Gloucester and Atlantic Counties. The number of census tracts (CTs) increased from 69 at the prior evaluation to the current 100. The AA includes the entire Cumberland County (CC), and portions of Atlantic (AC) and Gloucester (GC) counties in Southern New Jersey. The first two are their own MSA while GC is a MD as the county is part of the Philadelphia MSA. Approximately 34% (34 CTs) of the AA is located in CC (MSA 47220), 32% (32 CTs) in AC (MSA 12100) and 34% (34 CTs) in GC (MD 15804).

Based upon the 1990 Census-based demographic data, the AA had 69 CTs. There was one low-income tract (1%), eight (12%) moderate-income tracts, forty eight (70%) middle-income tracts, and twelve (17%) upper-income tracts. The expanded AA of 100 CTs using 2000 Census-based demographic data shows two low-income tracts (2%), eleven (11%) moderate-income tracts, sixty six (66%) middle-income tracts, eighteen (18%) upper-income tracts and three (3%) undetermined.

The AA was not affected by Office of Management and Budget's revised *Standards for Defining Metropolitan and Micropolitan Areas*, which were introduced in February 2004. There were no boundary changes in the existing MSA, no new MSAs were created, and no new metropolitan divisions were created in the AA.

Based upon the community contact performed during this examination with an economic development agency, and a review of community contacts at other local financial institutions, affordable housing and employment were identified as community needs. Our contact believed that general banking and credit needs were being met in the AA.

The population of the expanded AA has increased 52.7% since the 1990 Census. The 2000 Census-demographics shows a population of 433,198 with 331,586 persons who are 16 years and older. Based upon 2002 Census, this population in the AA is comprised of 149,867 households, which increased 51.4% over the number of households based upon the 1990 Census. The number of families is 110,098 based on 2000 Census. According to the 1990 Census, 18.4% of the total families were low-income. The percentage of low income-families dropped slightly to 18.2% in the 2000 Census. The percentage of moderate-income families was 17.8% in 1990, and remained relatively stable at 17.5% in 2000. The percentage of middle-income families declined slightly from 24.4% in 1990 to 23.5% in 2000. Only the percentage of upper-income families showed growth between censuses as the percent increased from 39.4% in 1990 to 40.9% in 2000. The 2004 median price of housing was \$118,482, which is an increase of 8.4% above the 2002 median price of \$109,326.

Median family income has increased 44.9% from \$40,800 in 1990 to \$59,109 in 2000. Owner occupied housing units were 72,748 in the 1990 Census and increased to 113,434 in the 2000 Census, a 55.9% increase. Occupied rental units increased 40.6% from 25,978 in 1990 to 36,517 in 2000. Demand for rental units increased as the residential rental unit vacancy declined from 6.9% in 1990 to 5.9% in 2000.

There is intense competition for both home mortgage and small business loans in MNB's AA. A

review of the latest data, 2003, shows 462 institutions granting home mortgage loans in the AA. MNB is 24th in the market. For small loans to businesses, MNB is the 11th rated bank of the fifty institutions originating these type loans in the AA.

The seasonally adjusted rate of unemployment for the State of New Jersey as of December 2004 was 4.2%, while the non-seasonally adjusted unemployment for the AA was 7.5% based on the 2000 Census.

CONCLUSIONS ABOUT PERFORMANCE CRITERIA

LENDING TEST

MNB's performance for the lending test is satisfactory. Performance for the loan-to-deposit ratio and lending in assessment area tests is outstanding with very high ratios. Another positive is that MNB has not received any complaints about its performance in meeting assessment area credit needs. Performance is reasonable for geographic distribution of loans and lending to borrowers of different incomes and to businesses of different sizes given MNB's performance in CC and the limited opportunities.

LOAN TO DEPOSIT RATIO

MNB's average loan-to-deposit ratio was 86.4% for the twelve-quarters covering from January 31, 2002 to December 31, 2004. At this level, the loan-to-deposit ratio was more than reasonable given MNB's size, financial condition, and assessment area credit needs. Also, MNB exceeded the national peer loan-to-deposit ratio of 81.9% for similar size banks for the same time period.

LENDING IN ASSESSMENT AREA

A substantial majority of MNB's home mortgage and small loans to business were within the assessment area. Total home mortgage loans made within the AA during the evaluation period is 85.3%, while the total number of small business loans is 85.5%.

Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Purchase	311	80.6%	75	19.4%	386	\$34,689	66.1%	\$17,789	33.9%	\$52,478
Home Refinancing	961	86.2%	154	13.8%	1,115	\$94,742	81.9%	\$21,013	18.1%	\$115,755
Home Improvement	235	88.7%	30	11.3%	265	\$6,799	84.0%	\$1,299	16.0%	\$8,098
Total Home Mortgage	1,507	85.3%	259	14.7%	1,766	\$136,789	76.9%	\$41,013	23.1%	\$177,802

Small Business	1,344	85.5%	228	14.5%	1,572	\$175,595	79.7%	\$44,836	20.3%	\$220,431
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Source: HMDA data based on loans reported; Small Business Data based on CRA data reported.

LENDING TO BORROWERS OF DIFFERENT INCOMES AND TO BUSINESSES OF DIFFERENT SIZES.

For home purchase, home improvement and home refinance mortgages, loans originated from January 1, 2002 to December 31, 2002 were compared to 1990 Census data. Loans which were originated between January 1, 2003 and December 31, 2004 were compared to 2000 Census data. Comparisons of data were performed in accordance with the OCC's Census transitional guidance. Please refer to the below summarized data.

Overall, MNB's distribution of loans among individuals of different income levels (including low- and moderate-income) and businesses of different sizes reflects reasonable penetration. Except for MNB's percentage of home improvement loans for moderate-income families, which overall exceeds the percentage of families, all other lending categories are overall either near or below the percentage of families. However, opportunities to lend to low-income families for home mortgage loans are limited due to the inability to qualify for purchase and the percentage of households below the poverty level. In addition, the bank participates in the New Jersey First Time Home Buyers program of the New Jersey Home Mortgage Financing Agency (NJHMFA). A positive factor is also that MNB exceeds the overall market share in CC for home purchase loans to low-income families, home improvement loans for both low- and moderate-income families and loans to small businesses with revenues of \$1 million or less.

Low-income and moderate-income borrowers performance context

Opportunities to lend to low-income families for home mortgage loans are limited due to the inability to qualify for home purchase loans and the percentage of households below the poverty level. The highest potential income for low-income families does not provide sufficient income to afford to purchase the 2004 median housing value of \$87,791 in CC. In addition, opportunities are also restricted as approximately 48% of low-income households in both 2002 and 2003 are below the poverty level based upon the 1990 and 2000 Census.

In addition, the bank participates in the New Jersey First Time Home Buyers program of the New Jersey Home Mortgage Financing Agency (NJHMFA). The benefit to the borrowers is a lower interest rate and reduced application fee. MNB sends the applications to NJHMFA without making a credit decision or booking the loan. NJHMFA's underwriting criteria include low- and moderate-income families. While MNB does not retain income information on the applicants, MNB referred a total of 141 or 37% of home purchase loans originated during the loan evaluation period. If any of those loans were to low- to moderate-income families that would improve MNB's percentage of loans in those income categories.

Home Purchase Loans

MNB's percentage of home purchase loans for low-income families is below the percentage of

low-income families in CC for all three years. However, that percentage is reasonable based on the above limiting factors. In addition, MNB's market share for low-income borrowers for home purchase loans exceeds its overall market share in 2002 and 2003. MNB's market share for low-income families is 4.57% for 2002 and 5.34% for 2003. That exceeds its overall market share of 4.14% in 2002 and 4.11% in 2003.

The two limited-scope areas reflect similar results except for AC in 2004 and GC in 2002. In both those years, the percentage exceeded the percentage of low-income families. MNB's percentage in AC in 2002 was 62.50%, which exceeded the 16.36% of low-income families, while the 100% for GC exceeded the 16.53% of low-income families.

MNB's percentage of home purchase loans is overall near the percentage of moderate-income families with similar results in 2003 and 2004. MNB's percentage in 2002 is below the percentage of moderate-income families. Participation in the First Time Home Buyers program reduces the opportunities for reporting home purchase loans.

Results for the two limited-scope areas differ. In AC, MNB overall exceeded the percentage of moderate-income families. MNB's percentage in 2002 and 2003 was 26.32% and 25.00%, respectively versus the percentage of moderate-income families of 17.48% and 17.51%, respectively. In GC, MNB exceeded the percentage of moderate-income families in 2003 with 33.33% versus the 15.80% of moderate-income families. MNB had no lending in 2002 and 2003 in GC to moderate-income families.

Table 2 – Borrower Distribution of Home Purchase Loans in CC MSA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Year	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
2002	21.12%	10.67%	17.29%	9.33%	22.82%	28.00%	38.77%	52.00%
2003	21.78%	9.09%	17.56%	11.69%	20.35%	32.47%	40.31%	46.75%
2004e	21.78%	10.00%	17.56%	12.00%	20.35%	30.00%	40.31%	48.00%

Source: HMDA data based on loans reported

Home Improvement Loans

MNB's percentage of home improvement loans in CC to low-income families overall is near the percentage of low-income families. MNB meets in 2003, is near in 2002 but is significantly below in 2004. A positive factor is MNB's market share for low-income borrowers for home improvement loans. MNB's market share exceeds its overall market share in 2002 and 2003. MNB's market share for low-income families is 6.82% for 2002 and 18.60% for 2003. That exceeds its overall market share of 4.19% in 2002 and 8.17% in 2003.

The two limited-scope areas reflect similar results except for GC in 2003. In that year, MNB's percentage of improvement loans to low-income families at 25% exceeded the 14.84% of families.

MNB's percentage of home improvement loans to moderate-income families overall exceeds the percentage of moderate-income families. Those similar results were experienced in 2002 and 2003. MNB's percentage is near in 2004. Another positive factor is MNB's market share for moderate-income borrowers for home improvement loans. MNB's market share exceeds its overall market share in 2002 and 2003. MNB's market share for moderate-income families is 4.81% for 2002 and 11.54% for 2003. That exceeds its overall market share of 4.19% in 2002 and 8.17% in 2003.

Results for the two limited-scope areas are different. In AC, MNB overall meets the percentage of moderate-income families. MNB's percentage in 2002, 2003 and 2004 was 0.00%, 14.81% and 28.57%, respectively versus the percentage of moderate-income families of 17.41%, 17.48% and 17.51%, respectively. In GC, MNB is below the percentage of moderate-income families in 2003 with 12.50% versus the 15.80% of moderate-income families. MNB had no home improvement lending in GC in 2002 and 2004 to moderate-income families.

Table 2 – Borrower Distribution of Home Improvement Loans in CC MSA								
Borrower Income Level	Low		Moderate		Middle		Upper	
Year	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
2002	21.12%	15.00%	17.29%	25.00%	22.82%	15.00%	38.77%	45.00%
2003	21.78%	19.05%	17.56%	21.43%	20.35%	14.29%	40.31%	45.24%
2004e	21.78%	3.39%	17.56%	13.56%	20.35%	23.73%	40.31%	59.32%

Source: HMDA data based on loans reported

Home Mortgage Refinance Loans

MNB's percentage of home mortgage refinance loans in CC to low-income families is below the percentage of low-income families. MNB is below in all three years. However, that percentage is reasonable based on the above limiting factors. Market share information for low-income borrowers in 2002 and 2003 is below the overall market share.

The two limited-scope areas reflect similar results except for GC in 2003. In that year, MNB's percentage of home mortgage refinance loans to low-income families at 12.50% met the 14.84% of families.

MNB's percentage of home mortgage refinance loans to moderate-income families was overall near the percentage of moderate-income families with similar results in 2002 and 2003. MNB's percentage in 2004 met the percentage of moderate-income families. Market share data for 2002 and 2003 for moderate-income families was near MNB's overall market share.

Results for the two limited-scope areas are similar. Except for GC in 2003, performance for AC and GC was near the moderate-income percentage of families. In 2003 for GC, MNB was below the percentage of moderate-income families.

Borrower Income Level	Low		Moderate		Middle		Upper	
Year	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
2002	21.12%	3.16%	17.29%	11.58%	22.82%	26.32%	38.77%	58.95%
2003	21.78%	1.58%	17.56%	12.30%	20.35%	22.08%	40.31%	64.04%
2004e	21.78%	5.26%	17.56%	16.84%	20.35%	24.21%	40.31%	53.68%

Source: HMDA data based on loans reported

Small Loans to Businesses

The percentage of the number of loans originated by MNB to small businesses with annual revenue less than \$1 million was substantially below the percentage of those businesses. However, this performance is satisfactory based upon market share information. MNB's market share to businesses with revenues \$1 million or less exceeded the all market share for 2002 and 2003. The bank's market share for businesses with revenues \$1 million or less was 15.70% in 2002 and 10.11% in 2003 versus the all market share of 9.16% in 2002 and 7.85% in 2003. In addition, over the three year period, an average 72% of its loans to businesses were \$100,000 or less.

Market data for 2002 and 2003 reflects positive lending to businesses. MNB was third in 2002 and fourth in 2003 in market share by count. However, MNB had the highest dollar market share for both years. That reflects an on-going commitment towards lending to small businesses in this CC MSA. MNB exceeded not only the two local financial institution but also large banks.

For the two limited-scope areas, the results are similar except for GC in 2003. In that year, MNB's 64.52% of loans met the 68.52% of businesses with revenues of \$1 million or less. Market share data for loans to businesses with revenues \$1 million or less is similar to CC, as it exceeds the all market share.

Business Revenue or Sales	<\$1,000,000		> \$1,000,000				
	% of Businesses	% of Bank Loans	% of Businesses	% of Bank Loans			
Year							
2002	80.87%	46.12%	19.13%	53.88%			
2003	65.80%	40.95%	34.20%	59.95%			
2004e	66.10%	27.42%	33.90%	72.58%			

Source: Small Business Data based on CRA data reported..

GEOGRAPHIC DISTRIBUTION OF LOANS

For home mortgage (home purchase, home improvement and home refinance mortgages) and small loans to businesses, loans originated from January 1, 2002 to December 31, 2002 were compared to 1990 Census data. Loans which were originated between January 1, 2003 and December 31, 2004 were compared to 2000 Census data. Comparisons of data were performed in accordance with the OCC's Census transitional guidance. Please refer to the below data.

Overall, the geographic distribution of home mortgage and small loans to businesses reflects adequate dispersion throughout the AA. This conclusion is primarily based upon the good level of home purchase and refinance loans in low- and moderate-income geographies and home improvement loans in middle-income geographies. The volume of small loans to businesses is positive in moderate-income geographies with a high market share.

No Gaps in Lending

MNB lent to all income designated CTs in Cumberland County. The only gaps in lending in Cumberland County resulted from the 2000 Census designation of three prisons as CTs. MNB lent to most CTs in Gloucester and Atlantic Counties. CTs without loans are primarily the farthest from the branches.

Low-income geographic performance context

In CC, opportunities to lend in low-income census tracts were limited in 2002 with only 22 owner occupied units in the one low-income area. While the number of owner occupied units increased to 520 in 2003 and 2004, this low number limits opportunities for lending in the low-income geographies. That number of housing units represents only 1.6% of the total owner occupied units in CC. In addition, the 2004 median housing price of \$87,791 makes ownership financially difficult for low-income families, who represent 51.4% of the households in the low-income geographies. This analysis reflects significantly limited opportunities for MNB to originate home purchase, home improvement, and refinance loans in the MSA's two low-income census tract, resulting in no overall appreciable market share data for these loan categories. Additionally, there is strong competition among financial institutions and the existence of other housing programs to individuals and families residing in this area.

Home Purchase Loans

In the low-income geographies, MNB met the percentage of owner-occupied units. In 2002, MNB exceeded the percentage while in 2003 met the percentage of owner-occupied units. In 2004, MNB was significantly below. The opportunities for home purchase loans are limited due to the number of houses and the income levels. There are no low-income census tracts for the limited-scope areas.

In the moderate-income geographies, MNB met the percentage of owner-occupied units. In 2002 and 2003, MNB met the percentage while in 2004 exceeded the percentage of owner-occupied units. The limited-scope areas are not similar except for AC in 2002, which at 19.05% exceeded the 4.57% owner-occupied units.

Table 3 – Geographic Distribution of Home Purchase Loans in the CC MSA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
2002	0.07%	1.30%	10.48%	9.09%	71.46%	53.25%	17.99%	36.36%
2003	1.56%	1.28%	10.01%	8.97%	59.09%	50.00%	29.35%	39.74%
2004e	1.56%	0.00%	10.01%	13.73%	59.09%	27.45%	29.35%	58.82%

Source: HMDA data based on loans reported

Home Improvement Loans

In the low-income geographies, MNB was below the percentage of owner-occupied units for all three years. However, this performance is considered reasonable based upon the above low-income geographic information. Opportunities for home improvement loans are limited due to the number of houses and the income levels. There are no low-income census tracts for the limited-scope areas.

In the moderate-income geographies, MNB meets the percentage of owner-occupied units. In all three years, MNB met the percentage. The limited-scope areas are not similar except for AC in 2002, which at 20.00% exceeded the 4.57% owner-occupied units.

Table 3 – Geographic Distribution of Home Improvement Loans in the CC MSA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
2002	0.07%	0.00%	10.48%	9.09%	71.46%	63.64%	17.99%	27.27%
2003	1.56%	0.00%	10.01%	10.87%	59.09%	54.35%	29.35%	34.78%
2004e	1.56%	0.00%	10.01%	8.33%	59.09%	50.00%	29.35%	41.67%

Source: HMDA data based on loans reported

Home Mortgage Refinance Loans

In the low-income geographies, MNB was near to the percentage of owner-occupied units. In 2002, MNB was below the owner-occupied units while near in 2003 and 2004. However, this performance is considered reasonable based upon the above low-income geographic information. Opportunities for home improvement loans are limited due to the number of houses and the income levels. There are no low-income census tracts for the limited-scope areas.

In the moderate-income geographies, MNB meets the percentage of owner-occupied units. In 2002, MNB was below the percentage of owner-occupied units, met in 2003 and exceeded in 2004. The limited-scope areas are not similar except for AC in 2003, which at 21.43% exceeded the 4.57% owner-occupied units and GC in 2004, which at 37.50% exceeded the 3.07 owner-occupied units.

Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
2002	0.07%	0.00%	10.48%	6.15%	71.46%	61.03%	17.99%	32.82%
2003	1.56%	0.61%	10.01%	8.56%	59.09%	46.79%	29.35%	44.04%
2004e	1.56%	2.04%	10.01%	14.29%	59.09%	51.02%	29.35%	32.65%

Source: HMDA data based on loans reported

Small Loans to Businesses

MNB’s market share of small loans to businesses represents a satisfactory level. Market data for 2002 and 2003 reflects positive lending to businesses. MNB was third in 2002 and fourth in 2003 in market share by count. As noted in the charts shown below, small loans to businesses in low-income geographies were below the percentage of small businesses in the AA for all three time-periods. There are no low-income census tracts for the limited-scope areas.

For moderate-income geographies, MNB overall was near the percentage of businesses. In 2002, MNB met the percentage of businesses, in 2003 was near and in 2004 was below. However, market share data available for 2002 and 2003 shows MNB exceeded its overall market share for moderate-income geographies. MNB’s market share in moderate-income geographies was 13.31% in 2002 and 8.78% in 2003 versus overall market share of 9.16% in 2002 and 7.85% in 2003.

Small loans to businesses were similar for the AC MSA but lending in the GC MD exceeded the CC performance. See second table below for performance in GC. In all three years, MNB’s percentage of loans to small businesses exceeded the percentage of businesses.

Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Small Business								
2002	7.02%	2.33%	15.29%	15.89%	60.82%	57.75%	16.88%	24.03%
2003	8.57%	4.31%	21.67%	16.81%	42.25%	47.84%	27.51%	31.03%

2004e	8.41%	4.16%	19.42%	9.14%	44.49%	62.33%	27.69%	24.38%
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Source: Small Business Data based on CRA data reported..

Table 3A – Geographic Distribution of Small Loans to Businesses in the GC MSA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Small Business								
2002	0.00%	0.00%	8.81%	17.65%	91.19%	82.35%	0.00%	0.00%
2003	0.00%	0.00%	3.51%	9.68%	59.22%	48.39%	37.28%	41.94%
2004e	0.00%	0.00%	7.73%	11.76%	76.62%	79.41%	15.65%	8.82%

Source: Small Business Data based on CRA data reported..

RESPONSE TO COMPLAINTS

The bank has not received any CRA-related consumer complaints since the last CRA examination.

COMMUNITY DEVELOPMENT LOANS, QUALIFIED INVESTMENTS, AND COMMUNITY DEVELOPMENT SERVICES

Cumberland County (CC) MSA

MNB demonstrates adequate responsiveness to the community development (CD) needs of the full-scope review area considering the institution's capacity and the need and availability of such opportunities. The bank has originated a substantial volume of loans that support economic development and employment in the low- and moderate-income census tracts in Vineland and Bridgeton. Investments during the evaluation period only consist of donations. However, the opportunity for qualified investments in CC is limited due to competition from many other financial institutions. Branches are located in two moderate-income CTs. Those and other branches are close to the two low-income CTs and the other five moderate-income CTs in CC. MNB demonstrates a willingness to overcome language barriers that arise from the diverse customer base served. In addition, MNB is involved in credit and home ownership financial counseling to low- and moderate-income families and employees are involved in organizations, which target community development activities.

Community Development Loans

During the evaluation period MNB extended twenty one loans totaling \$ 7.5 million, or 10% of three-year annual average equity capital through the Urban Enterprise Zone programs (UEZ) established in Vineland and Millville and the Cumberland Development Corporation. The UEZ is a program that provides low interest loans to businesses operating in economically distressed areas. The UEZ program requires a 10% capital injection by the borrower with the remaining 90% financed two-thirds by the bank and one-third by the UEZ

Community Development Investments

Based upon discussions with management, community contacts and internal research, opportunity for qualified investments are very limited within CC. The only investments identified were donations. One is the application of dividends, totaling \$11,921 over the evaluation period, from the stock of the Federal Home Loan Bank (FHLB) owned by MNB, to the FHLB Affordable Housing Program. Other donations totaling \$8,125 over the evaluation period were made to local community organizations, whose services met the definition of community development.

Community Development Services

Delivery systems are reasonably accessible to individuals located in low- and moderate- income census tracts in this AA. Two of the total seven branches in CC are each located in a moderate-income CT. These and other branches are adjacent to the two low-income CTs and the other five moderate-income CTs.

MNB provides counseling and assistance to area residents interested in participating in the First Time Home Buyers program sponsored by NJHMFA. The bank participated in the Millville Housing Authority Housing Fair. The programs featured were for first-time homebuyers, families with incomes at or less than \$18,000 per year, and households with full-time employment. Independently, the bank instructs potential buyers on the requirements of the agency, obtains information, and submits the package to the state for approval.

The bank recognizes the diversity within its AA. Accordingly, bilingual capability is an identified need in the AA. MNB employs bilingual customer service representatives and tellers at all its full service banking facilities and in the mortgage origination operation. The bilingual staff is able to better understand and provide for the banking and credit needs of those not fluent in English.

Several bank employees, including management and staff, participate in the following community organizations:

The President of MNB serves on the Board of the Cumberland County College Foundation. The Foundation provides two-year college scholarships for low- and moderate-income high school graduates.

A business development officer of the bank serves on the Board of the Vineland-Millville Urban Enterprise Zone and the Vineland Industrial Commission. Both of these organizations support economic and small business development within Cumberland County.

An officer of the bank serves as Vice Chair of AHOME, an ecumenical association providing credit and home ownership counseling to low and moderate-income families. In addition that individual serves as president of an organization that provides housing for low-income senior citizens.

An employee of the bank is a member of the Big Brother/Big Sister Cumberland County School Mentoring program. This program is designed to provide academic, career and life skills guidance to disadvantage students.

Gloucester County (GC) MSA

The one branch in GC is adjacent to the two moderate-income CTs in GC. There are no community development loans or investments in GC.

Atlantic County (AC) MD

There are no community development loans or investments in AC. The two branches in AC are not located near the two moderate-income CTs in AC. An employee of the bank serves as treasurer of the Salvation Army of Landisville, NJ. This organization provides services to individuals in need of shelter, sustenance and employment training.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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