



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

September 7, 2010

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Swineford National Bank
Charter Number: 7003

227 East Main Street
Middleburg, PA 17842

Office of the Comptroller of the Currency

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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 Satisfactory.

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

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

- Lending levels reflect good responsiveness to assessment area credit needs;
- A high percentage of home mortgage loans, small loans to businesses, and small loans to farms are originated within the bank's assessment area;
- The geographic distribution of home mortgage loans and small loans to businesses reflects adequate penetration throughout the assessment areas;
- The distribution of borrowers reflects good penetration among home mortgage borrowers of different income levels, adequate penetration among businesses of different sizes, and good penetration among farms of different sizes;
- Community development lending and product flexibility had a positive impact on the lending test rating;
- SNB has an adequate level of qualified community development investments, donations, and grants;
- Delivery systems are accessible to essentially all portions of the assessment area; and
- SNB provides a relatively high level of community development services.

Definitions and Common Abbreviations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

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

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

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

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

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

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

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

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

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

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

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

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

Description of Institution

Swineford National Bank (SNB), headquartered in Middleburg, Pennsylvania, is an intrastate community bank with total assets of \$314 million as of December 31, 2009. SNB is a wholly owned subsidiary of Fulton Financial Corporation (FFC), a \$16.6 billion bank holding company formed in 1982 and headquartered in Lancaster, Pennsylvania. FFC has eight affiliate banks, including SNB, in Pennsylvania, Maryland, Delaware, Virginia, and New Jersey. FFC's non-banking subsidiaries include Fulton Reinsurance Company LTD, Fulton Financial Realty Company, FFC Management Inc., FFC Penn Square Inc., Fulton Insurance Services Group, Inc., and Central Pennsylvania Financial Corporation (CPFC). Fulton Financial Advisors, N.A. became an operating subsidiary of Fulton Bank during 2009. CPFC was designed to centralize investment activities for all of FFC's affiliate banks. Since some of SNB's qualified investments were funded through CPFC, we considered the investment activities done through CPFC on behalf of and for SNB. There are no operating subsidiaries of SNB.

SNB operates seven full service branches in Snyder, Union, and Northumberland counties in Central Pennsylvania. All seven branches offer Automated Teller Machines (ATMs), drive-through services, and extended Friday hours and Saturday hours. There were no branches opened or closed, and there were no mergers or acquisitions since the last evaluation. Since the last evaluation period, SNB closed both of the remote location ATMs.

SNB is a full service community bank offering a wide range of commercial and personal banking products. Commercial banking services and products include checking accounts, money market accounts, certificates of deposits, small business loans, term loans secured by real estate and other assets, lines of credit, and letters of credit. Consumer banking services and products include various checking account and savings deposit products, certificates of deposit, individual retirement accounts, auto loans, home equity loans and lines of credit, residential mortgage loans, and personal loans.

As of December 31, 2009, net loans and leases were \$188 million, representing 60% of total assets. The loan portfolio mix is 45% residential real estate loans, 33% commercial real estate and commercial loans, 11% loans to individuals, 5% agricultural loans, 3% construction and development loans and, 3% other loans. As of December 31, 2009, Net Tier One Capital was \$21.8 million.

SNB's competition primarily comes from branches of regional financial institutions and credit unions. Based on the June 30, 2009 FDIC summary of deposit market share report, the bank's major competitors are: Susquehanna Bank, Northumberland National Bank, Manufacturers & Traders Trust Co., West Milton State Bank, First National Bank of PA, and Mifflinburg Bank & Trust Co.

There are no financial or legal impediments impacting SNB's ability to help meet the community credit needs of its assessment areas.

SNB's previous CRA examination was conducted as of March 14, 2005, and the bank was assigned an overall rating of "Satisfactory".

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for the Lending Test, with the exception of Community Development Loans, is from January 1, 2004 through December 31, 2009. Conclusions regarding the bank's lending performance are based on home mortgage loans, small loans to businesses, and small loans to farms. There were no multifamily loans originated or purchased during the evaluation period; therefore, an analysis would not be meaningful and was not performed. The Lending Tables for multifamily loans have been eliminated.

For the Community Development (CD) Loans, and the Investment and Services Tests, the evaluation period is March 14, 2005 through September 7, 2010. The Community Development Lending Test includes a review of loans made in the bank's AA that meet the definition of community development. The Investment Test included a review of investments, grants, and donations made in the bank's AA that meet the definition of community development. Any qualified investments originated in prior periods and still outstanding at September 7, 2010 were given appropriate consideration. The Service Test included a review of retail and community development services in the bank's AA.

Data Integrity

SNB is not a HMDA reporter, but provides mortgage information to its regulator in a HMDA format for the purpose of this CRA evaluation. Prior to this examination, we tested the accuracy of SNB's home mortgage, business, and farm loan data. Results of this testing evidenced the data is reasonably accurate and can be relied upon for this CRA evaluation. Community Development (CD) loans, investments, and services submitted by management were also verified to ensure that they met the regulatory definition for community development.

Selection of Areas for Full-Scope Review

We conducted a full-scope review of the bank's sole Assessment Area (AA), the Snyder/Union/Northumberland Counties, Non-MSA AA.

Ratings

The bank's overall rating is based on the full-scope review of the Snyder/Union/Northumberland Counties, Non-MSA AA. The Lending Test was more heavily weighted than the Investment Test or the Service Test. For the Lending Test, small loans to businesses received slightly more weight than home mortgage loans or small loans to farms. During the evaluation period, approximately 48% of the loans originated in SNB's AA were small loans to businesses, with home mortgage loans accounting for approximately 41% and small loans to farms accounting for approximately 11%. In regards to home mortgage lending, we placed more weight on home purchase loans and home refinance loans in our analysis, given 50% of all home mortgage loan originations were home purchase loans and 47% were home refinance loans. Home improvement loans accounted for only 3% of all home mortgage loan originations.

Other

During our evaluation, we contacted one community organization whose primary purpose is preserving and strengthening the Greater Susquehanna Valley's business environment. In addition, we reviewed one recent community contact with an organization whose primary purpose is economic development and one recent community contact with an organization whose primary purpose is housing development. We determined through these community contacts and our internal research that opportunities for community development lending, investments, and services are limited. The most prevalent community needs are affordable housing for low- and moderate-income (LMI) people and small business loans. More specifically, there is a need for more affordable housing projects for LMI people, and loans and investments to fund these projects. In regards to businesses and economic development, small businesses are in need of small business loans, education and counseling. Lastly, the contacts felt there are opportunities for banks to provide grants and donations to local community development organizations whose primary mission is affordable housing for LMI people, community services targeted to primarily LMI people, education for LMI children and youth, assisting small businesses or economic development. The community contacts indicated the local financial institutions have been meeting the needs of the community. However, one contact felt the local banks need to start lending to small businesses again.

Fair Lending or Other Illegal Credit Practices Review

We 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

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test is rated High Satisfactory. Based on a full-scope review, the bank's performance in the Snyder/Union/Northumberland Counties, Non-MSA AA is good.

Lending Activity

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

SNB's lending activity is good, and the bank's lending levels reflect good responsiveness to the credit needs of the community. SNB has seven branches in the AA. According to the June 30, 2009 FDIC Summary of Deposit Market Share report, SNB had a 10.24% deposit market share in Snyder/Union/Northumberland counties, ranking the bank fifth among twenty institutions. Major competitors are: Susquehanna Bank, ranked first with twelve offices and a 15.37% deposit market share, Northumberland National Bank, ranked second with six offices and a 13.58% deposit market share, Manufacturers & Traders Trust Co., ranked third with ten offices and a 11.39% deposit market share, and West Milton State Bank, ranked fourth with five offices and a 10.39% deposit market share.

Of the total loans originated in this AA, 48% of the loans were small loans to businesses, 41% were home mortgage loans and 11% were small loans to farms. Among home mortgage originations in this AA, 50% were home purchase loans, 3% were home improvement loans, and 47% were home refinance loans. SNB is not required to report HMDA data; therefore, SNB's market share data for home purchase, home improvement, and home refinance lending is not available.

We used the bank's loan-to-deposit ratio as a reference to measure the bank's lending activity. SNB's quarterly average net loan-to-deposit ratio over the twenty-one quarters since the last CRA examination is 82%. SNB's quarterly average net loan-to-deposit ratio is higher than eleven similarly sized and situated institutions in Pennsylvania. The eleven similarly sized and situated financial institutions included banks with total assets less than \$350 million and operating in the state of Pennsylvania. The quarterly average net loan-to-deposit ratio for these eleven institutions is 74%. This is an indication SNB is an active lender.

Based on the 2008 peer small business data, SNB had a 3.52% market share for small loans to businesses, ranking SNB 9th out of 43 lenders. The top five lenders are large, nationwide lenders that offer small business credit cards. SNB's performance is good when considering the competition from larger, nationwide lenders that offer small business credit cards.

Based on the 2008 peer small business data, SNB had a 22.40% market share for small loans to farms, ranking SNB 2nd out of 17 lenders in the AA. The top rated bank was Susquehanna Bank. SNB's performance is excellent in comparison to the bank's deposit market share.

Distribution of Loans by Income Level of the Geography

The distribution of home mortgage loans and small loans to businesses by income level of the geography is adequate.

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 and purchases.

There are no low-income geographies in SNB's AA. In our analysis, we took into consideration there are only 1,322 owner-occupied housing units in the two moderate-income geographies in Northumberland County, which is where the moderate-income geographies are located. Furthermore, the opportunities to lend in the moderate-income geographies are limited based on the number and percentage of low- and moderate-income families residing in the moderate-income geographies. There are a total of 1,673 families residing in the two moderate-income geographies in the AA and 871 of these families are considered low- and moderate-income families. Therefore, the opportunities to lend in moderate-income geographies are limited, especially when considering the competition from other financial institutions.

Home Purchase Lending

The geographic distribution of home purchase lending is good. The percentage of home purchase lending in moderate-income geographies is near to the percentage of owner-occupied housing units in these geographies.

Home Improvement Lending

No home improvement loans were originated in moderate-income geographies.

Home Refinance Lending

The geographic distribution of home refinance lending is adequate when considering the limited opportunities for lending in the two moderate-income geographies and the competition from other financial institutions. The percentage of home refinance lending in moderate-income geographies is lower than the percentage of owner-occupied housing units in these geographies.

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.

There are no low-income geographies in the AA. In our analysis we took into consideration there are only 482 businesses located in the two moderate-income geographies, and there are 43 lenders competing for the small loans to businesses in these geographies. Therefore, the

opportunities to lend in moderate-income geographies are limited, especially when considering the competition from other financial institutions.

The geographic distribution of small loans to businesses is adequate. The percentage of small loans to businesses in moderate-income geographies is somewhat lower than the percentage of businesses located in the moderate-income geographies. SNB's market share of small loans to businesses in moderate-income geographies is lower than its overall market share.

Small Loans to Farms

Refer to Table 7 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms. There are no low-income geographies in the AA. There are only four farms located in the two moderate-income geographies; therefore, SNB's opportunities were extremely limited. No small loans to farms were originated in moderate-income geographies.

Lending Gap Analysis

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

Inside/Outside Ratio

SNB originated a high percentage of its loans in their assessment area. During the evaluation period, 87% of the number and 86% of the dollar amount of total home mortgage, small loans to businesses, and small loans to farms were originated within the bank's AA. SNB originated 82% of the number and 82% of the dollar amount of total home mortgage loans within its AA. The number and dollar amount of home mortgage loans originated by product type are as follows: 81% of the number and 80% of the dollar amount of home purchase loans, 78% of the number and 76% of the dollar amount of home improvement loans, and 83% of the number and 84% of the dollar amount of home refinance loans. Regarding small loans to businesses, 90% of the number and 88% of the dollar amount of total originations were within the bank's AA. And, 94% of the number and 94% of the dollar amount of total small loans to farms were originated in the bank's AA. This performance was positively factored into the overall analysis of the geographic distribution of lending by income level of geography.

Distribution of Loans by Income Level of the Borrower

The distribution of home mortgage loans by income level of the borrower is good, the distribution of small loans to businesses is adequate, and the distribution of small loans to farms is good.

Home Mortgage Loans

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

In our analysis, we considered the lack of affordability for a low-income family to purchase a home. Based on the 2000 U.S. Census data, the median housing cost is \$89,542. The 2009 HUD updated median family income is \$53,800. This means that a low-income person earns less than \$26,900 and a moderate-income person earns more than \$26,900 but less than \$43,040. Additionally, 3,790 or 10% of the households in this AA are below the poverty level and are considered very low-income. This lack of affordability limits the opportunities for home purchase, home improvement, and home refinance lending to low- and moderate-income families.

Home Purchase Lending

The borrower distribution for home purchase lending is good when considering the affordability of home ownership for a low- or moderate-income family and the competition from other institutions. The percentage of home purchase lending to low-income borrowers is somewhat lower than the percentage of low-income families in the AA. The percentage of home purchase lending to moderate-income borrowers exceeds the percentage of moderate-income families in the AA.

Home Improvement Lending

The borrower distribution for home improvement lending is good when considering the minimal number of home improvement loans, the affordability of home ownership for a low- or moderate-income family and the competition from other institutions. The percentage of home improvement lending to low-income borrowers is significantly lower than the percentage of low-income families in the AA. The percentage of home improvement lending to moderate-income borrowers exceeds the percentage of moderate-income families in the AA.

Home Refinance Lending

The borrower distribution for home refinance lending is good when considering the affordability of home ownership for a low- or moderate-income family and the competition from other institutions. The percentage of home refinance lending to low-income borrowers is significantly lower than the percentage of low-income families in the AA. The percentage of home refinance lending to moderate-income borrowers exceeds the percentage of moderate-income families 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 small businesses is adequate when considering the strong competition from larger, nationwide lenders that offer small business credit cards, the bank's market share position in relation to these larger nationwide lenders, and the distribution by size of loan. The percentage of small loans to small businesses (businesses with gross annual revenues of \$1 million or less) is lower than the percentage of small businesses in the AA. SNB's market share of lending to small businesses exceeds its overall market share. SNB is ranked 7th out of 43 lenders with a 6.22% market share, and is ranked below Citibank, Capital One Bank USA, N.A., Discover Bank, Advanta Bank Corp., Susquehanna Bank, and FIA Card Services, N.A. The distribution by size of loan shows that a majority of the loan originations are for \$100,000 or less. This is another indication that business lending is primarily to small businesses.

Small Loans to Farms

Refer to Table 12 in the 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 small farms is good. The percentage of small loans to small farms (farms with revenues of \$1 million or less) is near to the percentage of small farms within the AA. The market share for small loans made to small farms exceeds SNB's overall market share. The distribution by size of loan shows that 77% of the loan originations are for \$100,000 or less. This is another indication that farm lending is primarily to small farms.

Community Development Lending

Refer to Table 1 Lending Volume in appendix C for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans.

Community development lending had a positive impact on the lending test. SNB's community development loans were responsive to the identified needs of the AA. During the evaluation period, DNB originated six qualified community development loans for a total of \$345 thousand.

In 2007, SNB extended a \$15 thousand line of credit to a local organization that provides community services to primarily low- and moderate-income children and youth. SNB renewed the \$15 thousand line of credit in December 2008 and again in August of 2010.

In 2008, SNB extended a \$100 thousand revolving line of credit to a local housing agency whose primary purpose is to create, facilitate, provide for and administer housing programs for low- and moderate-income families and individuals within Union County and contiguous counties. SNB renewed the \$100 thousand line of credit in December 2009 and again in June 2010.

Product Innovation and Flexibility

Product flexibility had a positive impact on the Lending Test rating. As noted earlier in this performance evaluation, affordable housing is considered a primary credit need in the bank's AA. In order to help meet this credit need, SNB offers three flexible home loan programs. The first is the Pennsylvania Housing Finance Authority (PHFA) Keystone Home Loan Plus Program that provides below market rate mortgages with no origination fees on 30 year fixed rate mortgages to low- and moderate-income individuals or families. In addition, low down payment or no down payment options are available under this loan program. The second is the PHFA Keystone Assistance Loan Program that assists qualified borrowers with down payment and closing costs up to \$1,500. The assistance is a no-interest, second mortgage that does not require repayment until the first lien is paid in full or the home is sold or refinanced. The third is the Guaranteed Rural Housing loan program that provides up to 100% financing of the market value, a 30 year fixed rate loan, and no down payment requirements

for low- and moderate-income individuals and families. During the evaluation period, SNB processed 35 loan applications for a total of \$3.4 million for low- and moderate-income individuals under these flexible loan programs. All 35 of the loans were funded and booked at the holding company level and are not included in SNB's home purchase loan originations. However, these loans were originated for SNB customers.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test is rated Low Satisfactory. Based on a full-scope review, the bank's performance in the Snyder/Union/Northumberland counties, Non-MSA AA is adequate.

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

According to our community contacts and our own internal research, opportunities for qualified investments in the AA are very limited as compared to more densely populated areas of the state. The AA does not contain any metropolitan areas where there are typically more investment opportunities. Furthermore, there are no low-income geographies and only two moderate-income geographies in the AA. We reviewed competitor's Public Evaluations and found similar performance with a low number of investments made in the AA during the evaluation period. And, if the competitor's AA included a metropolitan area, the investments were typically centered there. Based on our community contacts and our internal analysis, the primary credit needs in the AA are affordable housing for low- and moderate-income (LMI) individuals and families and small business loans. According to one community contact, there were no affordable housing development projects in the AA in the last couple years, and the local financial institutions have been meeting all of the credit needs of the assessment area. None of SNB's investments are considered innovative or complex in nature.

During the evaluation period, SNB made 35 grants and donations for \$13 thousand to eight organizations that provide affordable housing and community services targeted to primarily LMI individuals.

In 2000, SNB invested \$395 thousand in a LMI elderly housing project located in Selinsgrove, Pennsylvania (Snyder County). The project consisted of 17 affordable housing units and all residents are required to have income below 60 percent of the area median income. SNB is a 40% limited partner and took a leadership role for this project. SNB successfully solicited two other financial institutions and a non-profit regional planning and economic development agency for the project. The current book value is \$43 thousand.

In 2003, SNB invested \$409 thousand in a LMI elderly housing project located in Dalmatia, Pennsylvania (Northumberland County). The project consisted of 24 affordable housing units and all residents are required to have income levels below 60 percent of the area median income. SNB is a 24.75% limited partner and participated in this project with two other financial institutions and a non-profit regional planning and economic development agency. SNB received tax credits for this investment. During the evaluation period, SNB funded the

remaining \$22 thousand, and the current book value is \$186 thousand. This investment is located 10 miles outside of the bank's AA; however, SNB has been given credit for this investment because the needs in SNB's AA were met at the time of the investment and the investment opportunities have been and are extremely limited in SNB's AA. This investment is reflected on the statewide/regional investments with no potential to benefit AA line in the investment table.

In 2008, CPFC made a \$3.2 million investment in a LMI elderly housing project located in Loyalsock, Pennsylvania (Lycoming County). As mentioned earlier, CPFC was designed to centralize investment activities for all of FFC's affiliate banks. This investment was done through CPFC on behalf of and for SNB and another affiliate bank, FNB, National Association. Each bank's share of the investment is \$1.6 million. The project consisted of 28 affordable housing units and all residents are required to have income levels below 60 percent of the area median income. SNB is a limited partner and participated in this project with a non-profit regional planning and economic development agency. This investment is located in a contiguous county to SNB's AA and does not benefit SNB's AA. However, SNB has been given credit for this investment because the needs in SNB's AA were met at the time of the investment, and the investment opportunities have been and are extremely limited in SNB's AA. This investment is reflected on the statewide/regional investments with no potential to benefit AA line in the investment table.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated High Satisfactory. Based on a full-scope review, the bank's performance in the Snyder/Union/Northumberland, Non-MSA AA is good.

Retail Banking Services

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

SNB's retail services are accessible to geographies and individuals of different income levels within the AA. SNB operates seven full service branches in the AA. There are four branches in Snyder County, two branches in Union County, and one branch in Northumberland County. One branch is located in a moderate-income census tract in the City of Sunbury, five are located in middle-income census tracts and one is located in an upper-income census tract. The percentage of branches located in moderate-income geographies exceeds the percentage of the population located in these geographies.

In addition to the branches, SNB offers alternative delivery systems in the form of ATMs. SNB has seven ATMs and they are associated with the aforementioned branches. The geographic distribution of the bank's ATMs in the various categories of income geographies is similar to its branch distribution.

SNB's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income individuals. During the evaluation period, no branches were acquired, opened, or closed. The Lewisburg branch was relocated to a site approximately 1 mile from where the former branch was located, and the relocated branch is in the same middle-income geography as the former branch. SNB closed both of the remote ATMs during the evaluation period, but this did not adversely affect the accessibility of SNB's delivery systems.

Hours and services do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and low- and moderate-income individuals. Services offered are comparable among locations regardless of the income level of the geography. All seven branches offer extended hours at least one day per week and Saturday morning hours as well as drive-through services with hours extending beyond the regular branch hours.

A full line of traditional banking products and services are offered at all branches. SNB offers a variety of checking accounts, saving accounts, and loan products to serve the needs of its community, including low- and moderate-income individuals and families. In particular, SNB has a free checking account that would assist low- and moderate-income individuals. The free checking account has no minimum daily balance requirements, no monthly service fees, and no per check charges. It also features free Online Banking and Bill Payment.

SNB provides alternative systems for delivering retail banking services to its community through full service Internet banking, telephone, and ATMs. Since SNB could not provide specific information on how low- and moderate-income individuals have benefited from these services, no weight was placed on alternative delivery systems.

Community Development Services

SNB provides a good level of qualified CD services within its assessment area. The President of SNB and four other bank employees provided financial and technical expertise to nine separate and qualified CD organizations. Their CD services were to organizations whose primary purpose was affordable housing for LMI people, community services targeted to primarily LMI people, and economic development. The following details the CD services that were provided during the evaluation period:

- The bank's President serves on the Board of Directors and the Executive Committee for an organization that's dedicated to preserving and strengthening the business environment in the Greater Susquehanna Valley area and providing programs and services that assist local small businesses.
- The bank's President provides financial and technical expertise by serving on the Board of Directors for a local industrial development corporation whose primary purpose is to advocate and promote economic growth and development throughout the Greater Susquehanna Valley. This organization purchases, develops, and sells industrial and commercial property to new and expanding companies in the area.

- The bank's President provides financial and budgeting expertise to a local development corporation that facilitates loan projects through the Pennsylvania Industrial Development Authority and other state and federal programs.
- The bank's President provides financial expertise to a child development agency by serving as President of the Board and as a member of the Audit Committee and the Finance Committee. This is a non-profit provider of child-care programs, which includes Head Start and Early Head Start programs. These federally funded programs are targeted for families with income at or below the federal poverty level. Early Head Start provides services such as early childhood education, health/nutrition and other services. Head Start strives to help children develop skills that lead to success in school and later in life.
- A Vice President/Commercial Lender provides financial and technical expertise to a non-profit regional planning and economic development agency that provides loans to small businesses for a variety of uses ranging from building improvements to job creation. This person assists the organization by reviewing and approving loan applications for small business loans.
- An employee serves on the Board of Directors for a local organization that provides community services to primarily low- and moderate-income children and youth. As a member of the Board of Directors, this employee provides assistance and advice on checking accounts and merchant services.
- One employee is a member of the Board of Directors for a revitalization association. This organization is involved in stimulating downtown revitalization and working with local small businesses and government to promote economic development. The association has been involved in projects in the City of Sunbury, which is a moderate-income area.
- One employee served as the Treasurer for a public agency that provides assistance to neglected and abused children in Snyder County. The majority of children that receive services are from low- and moderate-income families.
- One employee provides financial and technical expertise to a local affordable housing organization that assists low- and moderate-income first time homebuyers with closing costs and down payment money. This employee reviews and approves the requests for financial assistance.

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 nonmetropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

Time Period Reviewed	Lending Test (excludes CD Loans): 01/01/04 to 12/31/09 Investment and Service Tests and CD Loans: 03/14/05 to 09/07/10	
Financial Institution	Products Reviewed	
Swineford National Bank (SNB) Middleburg, Pennsylvania	Home mortgage loans, small loans to businesses, small loans to farms, community development loans, investments, and services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Central Pennsylvania Financial Corporation (CPFC)	Subsidiary of Fulton Financial Corporation	Qualified Investments
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Snyder/Union/Northumberland Counties, Non-MSA AA	Full Scope	2000 U.S. Census Data

Appendix B: Market Profiles for Full-Scope Areas

Snyder/Union/Northumberland Counties, Non-MSA AA

Demographic Information for Full-Scope Area: Snyder/Union/Northumberland Counties, Non-MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	20	0.00	10.00	75.00	15.00	0.00
Population by Geography	103,085	0.00	6.42	77.22	16.36	0.00
Owner-Occupied Housing by Geography	26,604	0.00	4.97	79.15	15.88	0.00
Businesses by Geography	6,387	0.00	7.55	67.95	24.50	0.00
Farms by Geography	439	0.00	0.91	88.15	10.93	0.00
Family Distribution by Income Level	25,847	15.08	19.02	24.93	40.98	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	8,812	0.00	9.88	80.74	9.37	0.00
Median Family Income = \$41,475 HUD Adjusted Median Family Income for 2009 = \$53,800 Households Below the Poverty Level =10.31%			Median Housing Value = \$89,542 Unemployment Rate Snyder County 9.4% Union County 9.2% Northumberland County 10.2%			

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

Source: 2000 U.S. Census, 2009 HUD updated MFI, and Bureau of Labor Statistics unemployment rate as of December 31, 2009

SNB's AA includes all seven census tracts in Snyder County, all seven census tracts in Union County, and six of the 24 census tracts in Northumberland County. SNB designated only the portion of Northumberland County SNB could reasonably service. All three counties are located in a Non-Metropolitan Statistical Area in north central Pennsylvania. This part of Pennsylvania was known for coal mining. It is primarily rural in nature and large portions of land in Union and Snyder counties are designated as state forest land. The Susquehanna River runs through the assessment area, and collectively Northumberland, Snyder and Union counties are known as the Susquehanna River Valley. New York City, Philadelphia, Baltimore, and Washington, D.C. are all within a three-hour drive of the Susquehanna River Valley.

The Snyder/Union/Northumberland Counties, Non-MSA AA is comprised of a total of 20 census tracts. There are no low-income tracts (0%), two moderate-income geographies (10%), 15 middle-income geographies (75%), and three upper-income geographies (15%). The assessment area complies with regulatory requirements and does not arbitrarily exclude low- and moderate-income areas.

According to the 2000 U.S. Census data, the AA had a total population of 103,085. The AA contains 25,847 families and 15.08% are low-income, 19.02% are moderate-income, 24.93% are middle-income, and 40.98% are upper-income. There are 36,760 households, and 3,790 or 10.31% of the households are below the poverty level. The 2000 median family income was \$41,475, and the 2009 HUD updated median family income is \$53,800.

The 2000 U.S. Census data reported 43,713 housing units in the AA. Approximately 61% are owner-occupied, 23% are rental occupied, 8% are mobile homes or trailers, and 8% are vacant housing units. Of all owner-occupied housing, 4.97% is located in moderate-income geographies, 79.15% is located in middle-income geographies, and 15.88% is located in upper-income geographies. The median housing cost is \$89,542.

According to 2009 Business Geodemographics, there are 6,387 businesses in the AA. Approximately 75% of the businesses reporting have revenue less than or equal to \$1 million, approximately 5% of the businesses reporting have revenues greater than \$1 million, and 20% of the businesses did not report revenue information. There are 482 (7.55%) businesses located in moderate-income geographies, 4,340 (67.95%) businesses located in middle-income geographies, and 1,565 (24.50%) businesses located in upper-income geographies.

According to the 2009 Business Geodemographics, there are 439 farms in the AA. Approximately 99% of the farms reporting have revenue less than or equal to \$1 million, approximately 1% of the farms reporting have revenues greater than \$1 million, and less than 1% of the farms did not report revenue information. There are four (0.91%) farms located in moderate-income geographies, 387 (88.15%) farms located in middle-income geographies, and 48 (10.93%) farms located in upper-income geographies.

The local economy has been experiencing a slight recession; however, it has not been as severe as other areas of the country. The major industries are manufacturers, retailers, agricultural businesses, healthcare providers and major educational institutions. The area's natural resources have made it a leader in the wood manufacturing industry and the wood industry remains one of the largest employers in Snyder County. Some of the companies located in the area are Heister House Millworks, Inc., Bingaman & Son Lumber Co., Inc., Wood-Mode, Inc. (custom cabinetry), Stanley Woodworking (custom and stock wood components and mouldings), and Conestoga Wood Specialties Corp. (custom wood doors and components for the kitchen cabinet industry). It is also home to modular homemakers and manufacturers such as Brookside Homes, Icon Legacy Homes, Apex Homes, Penn Lyon Homes Corporation and Modular Structures, Inc. There are three major educational institutions in the area, and they are Bucknell University in Lewisburg, Bloomsburg University, and Susquehanna University. These educational institutions have helped stabilize the economy in this area. Finally, the life sciences, high technology and advanced manufacturing industries are steadily growing.

Major employers in the AA include:

- Northumberland County – Weis Markets, Inc., H.H Knoebel Sons, Inc., and county and state government offices;
- Snyder County – Wood Mode, Inc., Selinsgrove Area School District, Susquehanna University, and state government offices; and

- Union County – Bucknell University, Evangelical Community Hospital, and the federal government.

According to the Bureau of Labor Statistics, the December 31, 2009 non-seasonally adjusted unemployment rate was 9.4% for Snyder County, 9.2% for Union County, and 10.2% for Northumberland County. These unemployment rates are higher than the Pennsylvania unemployment rate of 8.5%, but lower than the national unemployment rate of 10%.

SNB operates seven full service branches in Snyder, Union, and Northumberland counties in Central Pennsylvania. There are four branches in Snyder County, two branches in Union County, and one branch in Northumberland County. All seven branches offer Automated Teller Machines (ATMs), drive-through services, and extended Friday hours and Saturday hours. There were no branches opened or closed, and there were no mergers or acquisitions since the last evaluation. Since the last evaluation period, SNB closed both of the remote location ATMs.

Competition for both loans and deposits is strong in this AA, and the competition primarily comes from branches of larger regional financial institutions and credit unions and nationwide lenders. Based on the June 30, 2009 FDIC summary of deposit market share report, SNB has seven offices and a 10.24% deposit market share in the Snyder/Union/Northumberland counties AA. Susquehanna Bank ranks first with 12 offices and a 15.37% deposit market share. Northumberland National Bank ranks 2nd with 6 offices and a 13.58% market share. Manufacturers & Traders Trust Company ranks 3rd with 10 offices and an 11.39% market share.

No market share information is available on home mortgages as the SNB is not an official HMDA reporter. SNB ranks 9th out of 43 lenders for small loans to businesses, with a 3.52% market share. According to the 2008 Peer Small Business Data, SNB is ranked 7th out of 43 lenders for small loans to small businesses, with a 6.22% market share. The institutions ranked above SNB are Chase Bank, N.A, American Express Bank, FSB, GE Capital Financial Inc., Capital One Bank USA, N.A., Citibank, N.A., Discover Bank, Advanta Bank Corp., FIA Card Services, N.A., US Bank North Dakota, and Susquehanna Bank. SNB is the second largest lender for small farms loans in their AA, with a market share of 22.40% based on 2008 Peer Small Business Data. Susquehanna Bank ranked first with a 22.95% market share.

During our evaluation, we contacted one community organization whose primary purpose is preserving and strengthening the Greater Susquehanna Valley's business environment. In addition, we reviewed one recent community contact with an organization whose primary purpose is economic development and one recent community contact with an organization whose primary purpose is housing development. We determined through these community contacts and our internal research that opportunities for community development lending, investments, and services are limited. The most prevalent community needs are affordable housing for low- and moderate-income (LMI) people and small business loans. More specifically, there is a need for more affordable housing projects for LMI people, and loans and investments to fund these projects. In regards to businesses and economic development, small businesses are in need of small business loans, education and counseling. Lastly, the contacts felt there are opportunities for banks to provide grants and donations to local community development organizations whose primary mission is affordable housing for LMI people, community services targeted to primarily LMI people, education for LMI children and

youth, assisting small businesses or economic development. The community contacts indicated the local financial institutions have been meeting the needs of the community. However, one contact felt the local banks need to start lending to small businesses again.

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE.

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

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

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

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

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

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

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

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

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: Swineford NB						Evaluation Period: January 1, 2004 TO December 31, 2009				
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA [*]	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans ^{**}		Total Reported Loans		% of Rated Area Deposits in MA/AA ^{***}
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
Snyder/Union/Northumberland, Non-MSA AA	100.00	788	90,121	927	125,268	204	16,418	6	345	1,925	232,152	100.00

^{*} Loan Data as of 12/31/09. Rated area refers to either the state or multi-state MA rating area.

^{**} The evaluation period for Community Development Loans is 03/14/05 to 09/07/10.

^{***} Deposit Data as of June 30, 2009. 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: Swineford NB				Evaluation Period: January 1, 2004 TO December 31, 2009					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans					
Full Review:															
Snyder/Union/ Northumberland, Non-MSA AA	391	100.00	0.00	0.00	4.97	3.07	79.15	78.77	15.88	18.16	NA	NA	NA	NA	NA

NA – Market share data is not available for Swineford National Bank. While SNB provides loan data to its regulators in a HMDA format, by regulation, the institution is not a HMDA reporter and does not submit its mortgage data to the FFIEC. Therefore, no market share data is available.

* Based on 2008 Peer Mortgage Data: Eastern Region.

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

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

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT															Geography: Swineford NB					Evaluation Period: January 1, 2004 TO December 31, 2009									
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography																		
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp														
Full Review:																													
Snyder/Union/Northumberland, Non-MSA AA	29	100.00	0.00	0.00	4.97	0.00	79.15	89.66	15.88	10.34	NA	NA	NA	NA	NA														

NA – Market share data is not available for Swineford National Bank. While SNB provides loan data to its regulators in a HMDA format, by regulation, the institution is not a HMDA reporter and does not submit its mortgage data to the FFIEC. Therefore, no market share data is available.

* Based on 2008 Peer Mortgage Data: Eastern Region.

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

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

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE											Geography: Swineford NB					Evaluation Period: January 1, 2004 TO December 31, 2009				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography									
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp					
Full Review:																				
Snyder/Union/Northumberland, Non-MSA AA	368	100.00	0.00	0.00	4.97	1.36	79.15	81.79	15.88	16.85	NA	NA	NA	NA	NA					

NA – Market share data is not available for Swineford National Bank. While SNB provides loan data to its regulators in a HMDA format, by regulation, the institution is not a HMDA reporter and does not submit its mortgage data to the FFIEC. Therefore, no market share data is available.

* Based on 2008 Peer Mortgage Data: Eastern Region.

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

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

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES												Geography: Swineford NB		Evaluation Period: January 1, 2004 TO December 31, 2009				
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	Upp	
Full Review:																		
Snyder/Union/Northumberland, Non-MSA AA	927	100.00	0.00	0.00	7.55	4.31	67.95	77.02	24.50	18.66	3.52	0.00	2.35	3.76	4.28			

* Based on 2008 Peer Small Business Data: US.

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

*** Source Data - Dun and Bradstreet 2009

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS															Geography: Swineford NB		Evaluation Period: January 1, 2004 TO December 31, 2009				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography										
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp						
Full Review:																					
Snyder/Union/Northumberland, Non-MSA AA	204	100.00	0.00	0.00	0.91	0.00	88.15	99.51	10.93	0.49	22.40	0.00	0.00	26.80	0.00						

* Based on 2008 Peer Small Business Data: US.

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

*** Source Data - Dun and Bradstreet 2009.

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: Swineford NB						Evaluation Period: January 1, 2004 TO December 31, 2009							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families ***	% BANK Loans****	% Families ***	% BANK Loans****	% Families ***	% BANK Loans****	% Families ***	% BANK Loans****	Over all	Low	Mod	Mid	Upp
Full Review:															
Snyder/Union/ Northumberland, Non-MSA AA	391	100.00	15.08	12.47	19.02	24.94	24.93	33.51	40.98	29.09	NA	NA	NA	NA	NA

NA – Market share data is not available for Swineford National Bank. While SNB provides loan data to its regulators in a HMDA format, by regulation, the institution is not a HMDA reporter and does not submit its mortgage data to the FFIEC. Therefore, no market share data is available.

* Based on 2008 Peer Mortgage Data: Eastern Region.

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

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

**** As a percentage of loans with borrower income information available. No information was available for 1.5% of loans originated and purchased by Bank.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: Swineford NB						Evaluation Period: January 1, 2004 TO December 31, 2009							
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****	Over all	Low	Mod	Mid	Upp
Full Review:															
Snyder/Union/Northumberland, Non-MSA AA	29	100.00	15.08	3.45	19.02	34.48	24.93	24.14	40.98	37.93	NA	NA	NA	NA	NA

NA – Market share data is not available for Swineford National Bank. While SNB provides loan data to its regulators in a HMDA format, by regulation, the institution is not a HMDA reporter and does not submit its mortgage data to the FFIEC. Therefore, no market share data is available.

* Based on 2008 Peer Mortgage Data: Eastern Region.

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

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

**** As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by Bank.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: Swineford NB				Evaluation Period: January 1, 2004 TO December 31, 2009					Market Share				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Over all	Low	Mod	Mid	Upp
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****					
Full Review:															
Snyder/Union/ Northumberland, Non-MSA AA	368	100.00	15.08	6.39	19.02	29.44	24.93	24.17	40.98	40.00	NA	NA	NA	NA	NA

NA – Market share data is not available for Swineford National Bank. While SNB provides loan data to its regulators in a HMDA format, by regulation, the institution is not a HMDA reporter and does not submit its mortgage data to the FFIEC. Therefore, no market share data is available.

* Based on 2008 Peer Mortgage Data: Eastern Region.

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

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

**** As a percentage of loans with borrower income information available. No information was available for 2.2% of loans originated and purchased by Bank.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES					Geography: Swineford NB		Evaluation Period: January 1, 2004 TO December 31, 2009		
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****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
Full Review:									
Snyder/Union/ Northumberland, Non-MSA AA	927	100.00	74.98	58.47	64.83	21.25	13.92	3.52	6.22

* Based on 2008 Peer Small Business Data: US.

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

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2009).

**** 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 3.99% of small loans to businesses originated and purchased by the Bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS					Geography: Swineford NB		Evaluation Period: January 1, 2004 TO December 31, 2009		
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev \$1 Million or Less
Full Review:									
Snyder/Union/Northumberland, Non-MSA AA	204	100.00	98.41	94.61	77.45	17.65	4.90	22.40	26.71

* Based on 2008 Peer Small Business Data: US.

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

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2009).

**** 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 3.92% of small loans to farms originated and purchased by Bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: Swineford NB				Evaluation Period: March 14, 2005 TO September 7, 2010			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Snyder/Union/ Northumberland, Non-MSA AA	1	43	35	13	36	56	3.05%	0	0
Statewide/Regional Investment with no potential to benefit AA	1	164	2	1,614	2	1,778	96.95%	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: Swineford NB							
Evaluation Period: March 14, 2005 TO September 7, 2010																	
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
Full Review:																	
Snyder/Union/Northumberland, Non-MSA AA	100.00	7	100.00	0.00	14.29	71.42	14.29	0	0	0	0	0	0	0.00	6.42	77.22	16.36