



LARGE BANK

Comptroller of the Currency

Washington, DC 20219

PUBLIC DISCLOSURE

January 28, 2013

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Sun National Bank (SNB)
Charter Number 18606

226 Landis Avenue
Vineland, NJ 08360

Office of the Comptroller of the Currency

343 Thornall Street
Suite 610
Edison, NJ 08837

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

Table of Contents

OVERALL CRA RATING	1
DEFINITIONS AND COMMON ABBREVIATIONS	2
DESCRIPTION OF INSTITUTION	6
SCOPE OF THE EVALUATION.....	7
FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW	9
CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS.....	10
LENDING TEST	10
INVESTMENT TEST.....	22
SERVICE TEST.....	24
APPENDIX A: SCOPE OF EXAMINATION.....	30
APPENDIX B: MARKET PROFILES FOR FULL-SCOPE AREAS	31
APPENDIX C: TABLES OF PERFORMANCE DATA	39

Overall CRA Rating

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

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

Performance Levels	Sun 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 taking into consideration the level of competition faced by SNB in each of the AAs.
- SNB made a high percentage of loans in the combined assessment areas at the bank level as opposed to the AA level.
- The distribution of loans to borrowers reflects good penetration among retail customers of different income levels and business customers of different size.
- The overall geographic distribution of loans reflects adequate penetration throughout the assessment areas.
- Community development lending had a positive impact on the overall rating.
- SNB had an adequate level of qualified community development investments, grants and donations.
- Delivery systems are accessible to essentially all portions of the combined assessment area.
- 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

Sun National Bank (SNB) is a \$3.2 billion community bank headquartered in Vineland, New Jersey with executive offices in Mount Laurel, New Jersey (NJ). SNB is the principal subsidiary of Sun Bancorp, Inc. (SBI). The bank has three wholly-owned subsidiaries, Sun Financial Services, L.L.C., 2020 Properties, L.L.C., and 4040 Properties, L.L.C. The bank's subsidiary, Sun Home Loans, Inc. (SHL) headquartered in Turnersville, New Jersey was merged into SNB on September 16, 2011. SNB's market area mainly covers southern and central New Jersey with continued expansion farther north into New Jersey.

SNB's loans total \$2.4 billion representing 74 percent of total assets. Loans consist of commercial and commercial real estate loans totaling \$1.695 billion (71 percent of total loans), closed and open-end residential real estate mortgages totaling \$644 million (27 percent of total loans), consumer loans totaling \$31 million (1 percent of total loans), multifamily loans totaling \$21 million (1 percent of total loans), and municipal and other loans totaling \$6 million (<1 percent of total loans). Management offers a variety of products and services with an emphasis on home mortgage and commercial lending. SHL originates a significant amount of residential real estate loans, the majority of which, SNB sells. In April 2012, SHL increased business with a significant increase in staff and the opening of a loan production office in Florham Park, NJ.

SNB has \$2.7 billion in deposits representing 85 percent of total assets. SNB's Tier-one Capital totals \$290.2 million. Since the last examination, management reduced the branch network to 60 branches from 68 branches through its ongoing branch optimization strategy. As part of the optimization strategy, management exited all branches in the State of Delaware and now operates entirely within the State of New Jersey. In November 2009, management opened a limited service branch in the Camden, NJ MD and consolidated the last Delaware branch with a branch in the Wilmington, DE-MD-NJ MD. In August 2010, management closed branches in the Vineland-Millville-Bridgeton, NJ MSA and the Camden, NJ MD. In September 2010, management closed two branches in the Wilmington, DE-MD-NJ MD and one branch in the Edison-New Brunswick, NJ MD. In January 2011, management closed a branch in the Camden, NJ MD. In March 2011, management relocated a branch in the Camden, NJ MD. In July 2011, management relocated a branch in the Atlantic City-Hammonton, NJ MSA. Between April and September 2012, management closed two branches in the Camden, NJ MD, one branch in the Edison-New Brunswick, NJ MD, one branch in the Newark-Union, NJ MD, and one branch in the Ocean City, NJ MSA. In October 2012, management opened a de novo branch in the Newark-Union, NJ MD. Although the last Delaware branch was closed in 2009, all other branch changes took place in the bank's designated assessment area. Refer to the Service Test section of this Evaluation for a full discussion of branch activities.

Management does not have any legal or financial circumstances, which would impede the bank's ability to help meet the credit needs in its AA's. However, SNB faces significant competition in all of its assessment areas from a wide variety of competitors including the largest banks operating in the United States, regional and local banks, credit unions, mortgage brokers and credit card companies. SNB's performance under the CRA was last evaluated in July 2009 resulting in a Satisfactory rating.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This Performance Evaluation assesses the bank's performance under the Lending, Investment and Service Tests. To evaluate the bank's lending performance, we reviewed home mortgage loans subject to filing under the HMDA, small loans to businesses subject to filing under the CRA, and community development (CD) loans. Given the minimal number of multi-family and farm loans, we did not include an analysis of the bank's performance in the two lines of business, as it would not be meaningful. The Investment Test included a review of investments, grants, and donations made in the bank's assessment areas (AAs) that met the definition of community development investments. The Service Test included a review of retail and community development services provided in the bank's AAs.

The evaluation period for the Lending Test, except for community development loans, covered April 1, 2009 through December 31, 2011. For the Investment Test, the Service Test, and community development loans, the evaluation period covered July 13, 2009, the date of the last CRA evaluation, through January 28, 2013. We based our conclusions for community development loans and qualified investments on the number and dollar amounts made during the evaluation period. We considered investments originated during prior periods with balances outstanding as of January 28, 2013. However, we placed higher weight on those investments made in the current period. We also considered the level of innovation, complexity, responsiveness to community credit needs, and the degree to which private investors do not provide these products.

Data Integrity

In April 2012 and during this examination, OCC personnel verified the accuracy of data made available to the public in accordance with HMDA and CRA loan data reporting requirements for 2009, 2010, and 2011. Public data includes home mortgage lending and small loans to businesses and farms.

In April 2012 and during the CRA examination, OCC personnel reviewed non-public data that SNB management submitted for CD loans, CD investments, and CD services to verify it met the regulatory definition for community development.

Selection of Areas for Full-Scope Review

Based on our review of HMDA and CRA data, branch dispersion, deposit market share, and demographic information, we identified the following assessment areas (AA's) for full scope review: Atlantic City - Hammonton, NJ MSA AA (MSA 12100), Camden, NJ MD AA (MD 15804 which is part of the larger Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA 37980), Edison-New Brunswick, NJ MD AA (MD 20764 which is part of the larger New York-Northern NJ-Long Island, NY-NJ-PA MSA 35620), and Vineland-Millville-Bridgeton, NJ MSA AA (MSA 47220).

The full scope AA's represent 79 percent of the loans, 82 percent of the deposits, 73 percent of the offices, 73 percent of the families, 73 percent of the households, 72 percent of the housing and 72 percent of the geographies.

We conducted limited scope reviews on the following AA's: Newark-Union, NJ MD AA (MD 35084 which is part of the larger New York-Northern NJ-Long Island, NY-NJ-PA MSA 35620), Ocean City, NJ MSA AA (MSA 36140), Trenton-Ewing, NJ MSA AA (MSA 45940) and Wilmington, DE-MD-NJ MD AA (MD 48864 which is part of the larger Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA 37980).

The AA's are consistent with the requirements of the regulation. The AA's do not arbitrarily exclude low- or moderate-income geographies. The AA's do not reflect illegal discrimination.

Ratings

The bank's overall rating is based primarily on those areas that received full-scope reviews. In the full-scope AA's, performance in the Edison-New Brunswick, NJ MD AA was weighted slightly higher than the remaining three full-scope AA's which were equally weighted. SNB has 20 of its 60 offices in the Edison-New Brunswick, NJ MD AA, along with 31 percent of the loans, and 26 percent of the deposits. The Lending Test was more heavily weighted than the Investment Test or Service Test. Within the Lending Test, home mortgages received a slightly higher weight than small loans to businesses as home mortgages accounted for 57 percent of the number of originations. Within home mortgage lending, we placed more weight on home refinance lending than home purchase or home improvement lending. Home refinance lending accounted for 60 percent of the number and 72 percent of the dollar amount of all home mortgage originations.

Other

During the examination, we contacted four economic development organizations which indicated a need for small business funding and job training. Throughout the evaluation period, we contacted nine organizations that provided affordable housing for low- and moderate-income families, community services targeting low- and moderate-income individuals, and economic development assistance. The organizations indicated a need for affordable home loans for low- and moderate-income families and loans for community-based organizations providing services targeting low- and moderate-income individuals.

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 full-scope reviews, the bank's performance in the Atlantic City – Hammonton, NJ MSA AA, Edison-New Brunswick, NJ MD AA, and Vineland-Millville-Bridgeton, NJ MSA AA is good. Performance in the Camden, NJ MD AA is adequate.

Lending Activity

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

Lending levels reflect good responsiveness to assessment area credit needs taking into consideration the level of competition faced by SNB in each of the AAs.

Atlantic City – Hammonton, NJ MSA (MSA 12100)

Lending levels in this AA reflect good responsiveness to assessment area credit needs.

Home Mortgage Loans

SNB's mortgage lending penetration was good in the Atlantic City-Hammonton, NJ MSA when taking into consideration the competition from numerous other lenders active in this area.

The bank's lending levels reflect good responsiveness to the credit needs of the community. Home mortgage loans and small loans to businesses originated in this AA represented 18 and 17 percent, respectively of all loans originated with the bank's combined AA's. Home mortgage loan originations, by count, consisted of 22 percent home purchase loans, 26 percent home improvement loans and 58 percent home refinances.

SNB ranked 4th in deposit market share in this AA capturing 9.82 percent of the market. The three banks with larger market share were among the 15 largest institutions operating in the United States.

SNB ranked 13th of 291 lenders in the Atlantic City – Hammonton, NJ MSA based on 2011 market share data for all home mortgage lending with a market share of 1.64 percent. The top five lenders captured 72 percent of the market and included three of the five largest institutions operating in the United States and two national mortgage companies.

SNB ranked 13th of 173 lenders in the MSA with 1.24 percent market share in home purchase lending, 4th of 59 lenders in the MSA with 7.87 percent market share in home improvement lending and 13th of 248 lenders in the MSA with 1.38 percent market share in home refinance lending. All market share data is based on the 2011 HMDA aggregate data.

Small Loans to Businesses

SNB's performance in this MSA is good. SNB ranked 12th of 57 lenders in the MSA with 1.85 percent market share based on 2011 CRA aggregate data. The top five lenders captured 64 percent of the market and included two of the five largest institutions operating in the United States, as well as two national credit card lenders.

Camden, NJ MD (MD 15804)

Lending levels in this AA reflect adequate responsiveness to assessment area credit needs.

Home Mortgage Loans

SNB's mortgage lending penetration was adequate in the Camden, NJ MD when taking into consideration the competition from nationwide lenders active in this area.

The bank's lending levels reflect adequate responsiveness to the credit needs of the community. Home mortgage loans and small loans to businesses originated in this AA represented 24 and 15 percent, respectively of all loans originated with the bank's combined AA's. Home mortgage loan originations, by count, consisted of 22 percent home purchase loans, 19 percent home improvement loans and 58 percent home refinances.

SNB ranked 11th in deposit market share in this AA capturing 2.15 percent of the market. The three largest banks in the AA captured 52 percent of the market and were among the 15 largest institutions operating in the United States.

SNB ranked 42nd of 439 lenders in the Camden, NJ MD based on 2011 market share data for all home mortgage lending with a market share of 0.38 percent. The top five lenders captured 44 percent of the market and included three of the five largest institutions operating in the United States and two national mortgage companies.

SNB ranked 54th of 277 lenders in the MD with 0.23 percent market share in home purchase lending, 18th of 125 lenders in the MD with 1.41 percent market share in home improvement lending and 44th of 371 lenders in the MD with 0.36 percent market share in home refinance lending. All market share data is based on the 2011 HMDA aggregate data.

Small Loans to Businesses

SNB's performance in this MD is good. SNB ranked 20th of 95 lenders in the MD with 0.39 percent market share based on 2011 CRA aggregate data. The top five lenders captured 63 percent of the market and included three of the five largest institutions operating in the United States, as well as one national credit card lender.

Edison-New Brunswick, NJ MD (MD 20764)

Lending levels in this AA reflect good responsiveness to assessment area credit needs.

Home Mortgage Loans

SNB's mortgage lending penetration was good in the Edison-New Brunswick, NJ MD when taking into consideration the competition from nationwide lenders active in this area.

The bank's lending levels reflect good responsiveness to the credit needs of the community. Home mortgage loans and small loans to businesses originated in this AA represented 28 and 35 percent,

respectively of all loans originated with the bank's combined AA's. Home mortgage loan originations, by count, consisted of 18 percent home purchase loans, 19 percent home improvement loans and 63 percent home refinances.

SNB ranked 16th in deposit market share in this AA capturing 1.07 percent of the market. The three largest banks in the AA captured 33 percent of the market and were among the 10 largest institutions operating in the United States.

SNB ranked 55th of 539 lenders in the Edison-New Brunswick, NJ MD based on 2011 market share data for all home mortgage lending with a market share of 0.25 percent. The top five lenders captured 44 percent of the market and included three of the five largest institutions operating in the United States and two national mortgage companies.

SNB ranked 74th of 391 lenders in the MD with 0.20 percent market share in home purchase lending, 16th of 164 lenders in the MD with 1.72 percent market share in home improvement lending and 58th of 468 lenders in the MD with 0.21 percent market share in home refinance lending. All market share data is based on the 2011 HMDA aggregate data.

Small Loans to Businesses

SNB's performance in this MD is good. SNB ranked 23rd of 116 lenders in the MD with 0.33 percent market share based on 2011 CRA aggregate data. The top five lenders captured 71 percent of the market and included three of the five largest institutions operating in the United States, as well as one national credit card lender.

Vineland-Millville-Bridgeton, NJ MSA (MSA 47220)

Lending levels in this AA reflect adequate responsiveness to assessment area credit needs.

Home Mortgage Loans

SNB's mortgage lending penetration was adequate in the Vineland-Millville-Bridgeton, NJ MSA when taking into consideration the competition from nationwide lenders active in this area.

The bank's lending levels reflect adequate responsiveness to the credit needs of the community. Home mortgage loans and small loans to businesses originated in this AA represented 8 and 12 percent, respectively, of all loans originated with the bank's combined AA's. Home mortgage loan originations, by count, consisted of 22 percent home purchase loans, 31 percent home improvement loans and 47 percent home refinances.

SNB ranked 1st in deposit market share in this AA capturing 22.76 percent of the market. SNB ranked 12th of 173 lenders in the Vineland-Millville-Bridgeton, NJ MSA based on 2011 market share data for all home mortgage lending with a market share of 1.59 percent. The top five lenders captured 45 percent of the market and included three of the five largest institutions operating in the United States and two national mortgage companies.

SNB ranked 21st of 86 lenders in the MSA with 0.83 percent market share in home purchase lending, 5th of 42 lenders in the MSA with 7.75 percent market share in home improvement lending and 15th of 141 lenders in the MSA with 1.25 percent market share in home refinance lending. All market share data is based on the 2011 HMDA aggregate data.

Small Loans to Businesses

SNB's performance in this MSA is good. SNB ranked 9th of 40 lenders in the MSA with 4.26 percent market share based on 2011 CRA aggregate data. The top five lenders captured 56 percent of the market and included three of the six largest institutions operating in the United States, as well as, two national credit card lenders.

Distribution of Loans by Income Level of the Geography

The overall geographic distribution of loans reflects adequate penetration throughout the assessment areas. The overall geographic distribution of home mortgage loans is adequate. The overall geographic distribution of small loans to businesses is good.

Atlantic City – Hammonton, NJ MSA (MSA 12100)

The overall geographic distribution of loans in this AA reflects adequate penetration throughout the assessment area.

Home Mortgage Loans

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

The geographic distribution of loans in MSA 12100 reflects poor penetration throughout the assessment area, particularly to low- or moderate-income geographies in the assessment area. Although performance is poor in relation to demographics and market share information, management is competing against much larger institutions and numerous mortgage brokers within this market, which makes it difficult to compete with other lenders in low- and moderate- income geographies. Additionally, the percentage of owner-occupied housing in low-income geographies is minimal at 0.98 percent of all owner-occupied housing.

Home Purchase Lending

The geographic distribution of home purchase loans is good. The percentage of lending in low- and moderate-income geographies exceeds the percentage of owner-occupied housing in these geographies. SNB's market share in the low-income geographies is significantly below its overall market share. SNB's market share in the moderate-income geographies exceeds its overall market share.

Home Improvement Lending

The geographic distribution of home improvement loans is poor. The percentage of lending in low-income geographies is significantly below the percentage of owner-occupied housing in these geographies. The percentage of lending in moderate-income geographies is below the percentage of owner-occupied housing in these geographies. SNB's market share in the low-income geographies is significantly below its overall market share. It is worth noting, based on 2011 aggregate HMDA data, only three home improvement loans were originated by all lenders in low-income geographies. SNB's market share in the moderate-income geographies exceeds its overall market share.

Home Refinance Lending

The geographic distribution of home refinance loans is poor. The percentage of lending in low- and moderate-income geographies is well below the percentage of owner-occupied housing in these

geographies. SNB's market share in the low-income geographies is significantly below its overall market share. SNB's market share in moderate-income geographies is below its overall market share.

Small Loans to Businesses

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

The geographic distribution of small loans to businesses is excellent. The percentage of small loans to businesses in low- and moderate- income geographies exceeds the percentages in these geographies. SNB's market share in low- and moderate-income geographies exceeds its overall market share.

Camden, NJ MD (MD 15804)

The overall geographic distribution of loans in this AA reflects adequate penetration throughout the assessment area.

Home Mortgage Loans

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

The geographic distribution of loans in MD 15804 reflects poor penetration throughout the assessment area, particularly to low- or moderate-income geographies in the assessment area. Although performance is poor in relation to demographics and market share information, management is competing against much larger institutions and numerous mortgage brokers within this market, which makes it difficult to compete with other lenders in the low- and moderate-income geographies.

Home Purchase Lending

The geographic distribution of home purchase loans is poor. The percentage of lending in low- and moderate-income geographies is well below the percentage of owner-occupied housing in these geographies. SNB's market share in the low-income geographies is significantly below its overall market share. SNB's market share in the moderate-income geographies is well below its overall market share.

Home Improvement Lending

The geographic distribution of home improvement loans is adequate. The percentage of lending in low-income geographies is well below the percentage of owner-occupied housing in these geographies. The percentage of lending in moderate-income geographies exceeds the percentage of owner-occupied housing in these geographies. SNB's market share in the low-income geographies is significantly below its overall market share. SNB's market share in the moderate-income geographies exceeds its overall market share.

Home Refinance Lending

The geographic distribution of home refinance loans is poor. The percentage of lending in low-income geographies is significantly below the percentage of owner-occupied housing in these geographies. The percentage of lending in moderate-income geographies is below the percentage of owner-occupied housing in these geographies. SNB's market share in the low-income geographies is significantly below its overall market share. SNB's market share in moderate-income geographies is near to its overall market share.

Small Loans to Businesses

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

The geographic distribution of small loans to businesses is good. The percentage of small loans to businesses in low- and moderate- income geographies is near to the percentages in these geographies. SNB's market share in low-income geographies is below its overall market share. SNB's market share in moderate-income geographies exceeds its overall market share.

Edison-New Brunswick, NJ MD (MD 20764)

The overall geographic distribution of loans in this AA reflects good penetration throughout the assessment area.

Home Mortgage Loans

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

The geographic distribution of loans in MD 20764 reflects adequate penetration throughout the assessment area, particularly to low- or moderate-income geographies in the assessment area.

Home Purchase Lending

The geographic distribution of home purchase loans is adequate. The percentage of lending in low-income geographies is well below the percentage of owner-occupied housing in these geographies. The percentage of lending in moderate-income geographies exceeds the percentage of owner-occupied housing in these geographies. SNB's market share in the low-income geographies is significantly below its overall market share. SNB's market share in the moderate-income geographies exceeds its overall market share.

Home Improvement Lending

The geographic distribution of home improvement loans is adequate. The percentage of lending in low-income geographies is significantly below the percentage of owner-occupied housing in these geographies. The percentage of lending in moderate-income geographies exceeds the percentage of owner-occupied housing in these geographies. SNB's market share in the low-income geographies is significantly below its overall market share. SNB's market share in the moderate-income geographies exceeds its overall market share.

Home Refinance Lending

The geographic distribution of home refinance loans is good. The percentage of lending in low-income geographies is well below the percentage of owner-occupied housing in these geographies. The percentage of lending in moderate-income geographies is near to the percentage of owner-occupied housing in these geographies. SNB's market share in the low- and moderate-income geographies exceeds its overall market share.

Small Loans to Businesses

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

The geographic distribution of small loans to businesses is good. The percentage of small loans to businesses in low-income geographies is near to the percentage of businesses in these geographies. The percentage of small loans to businesses in moderate-income geographies exceeds the percentage of businesses in these geographies. SNB's market share in low-income geographies is near to its overall market share. SNB's market share in moderate-income geographies exceeds its overall market share.

Vineland-Millville-Bridgeton, NJ MSA (MSA 47220)

The overall geographic distribution of loans in this AA reflects adequate penetration throughout the assessment area.

Home Mortgage Loans

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

The geographic distribution of loans in MSA 47220 reflects adequate penetration throughout the assessment area, particularly to low- or moderate-income geographies in the assessment area.

Home Purchase Lending

The geographic distribution of home purchase loans is adequate. The percentage of lending in low-income geographies is significantly below the percentage of owner-occupied housing in these geographies. The percentage of lending in moderate-income geographies exceeds the percentage of owner-occupied housing in these geographies. SNB's market share in the low-income geographies is significantly below its overall market share. SNB's market share in the moderate-income geographies exceeds its overall market share.

Home Improvement Lending

The geographic distribution of home improvement loans is poor. The percentage of lending in low-income geographies exceeds the percentage of owner-occupied housing in these geographies. The percentage of lending in moderate-income geographies is significantly below the percentage of owner-occupied housing in these geographies. SNB's market share in the low- and moderate-income geographies is significantly below its overall market share.

Home Refinance Lending

The geographic distribution of home refinance loans is adequate. The percentage of lending in low-income geographies is significantly below the percentage of owner-occupied housing in these geographies. The percentage of lending in moderate-income geographies exceeds the percentage of owner-occupied housing in these geographies. SNB's market share in the low-income geographies is significantly below its overall market share. SNB's market share in the moderate-income geographies exceeds its overall market share.

Small Loans to Businesses

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

The geographic distribution of small loans to businesses is good. The percentage of small loans to businesses in low- and moderate-income geographies is near to the percentage of businesses in these

geographies. SNB's market share in low- and moderate-income geographies exceeds its overall market share.

Lending Gap Analysis

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

Inside/Outside Ratio

SNB made a high percentage of loans in the combined assessment areas at the bank level as opposed to the AA level. SNB does not have any extensions of credit by affiliates that are being considered under the other performance criteria. During the evaluation period, SNB originated 85 percent of its loans by count and 78 percent by amount within the combined assessment areas. Home mortgage loans made within the assessment area represented 82 percent by count and 74 percent by amount. Small loans to businesses made within the assessment area represented 88 percent by count and 82 percent by amount.

Distribution of Loans by Income Level of the Borrower

The distribution of loans to borrowers reflects good penetration among retail customers of different income levels and business customers of different size. The overall distribution of home mortgage loans to borrowers of different income levels is good. The overall distribution of loans to businesses of different sizes is good.

Atlantic City – Hammonton, NJ MSA (MSA 12100)

The overall distribution of loans to borrowers of different income levels and businesses of different sizes in this AA reflects good penetration.

Home Mortgage Loans

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

The distribution of home mortgage loans to borrowers of different income levels in MSA 12100 reflects good penetration.

Home Purchase Lending

The borrower distribution of home purchase loans is good. The percentage of loans to low-income borrowers is below the percentage of low-income families in the AA. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families. SNB's market share for both low- and moderate-income borrowers exceeds its overall market share.

Home Improvement Lending

The borrower distribution of home improvement loans is good. The percentage of loans to low-income borrowers is well below the percentage of low-income families in the AA. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families. SNB's market share

for low-income borrowers is below the overall market share. SNB's market share for moderate-income borrowers exceeds its overall market share.

Home Refinance Lending

The borrower distribution of home refinance loans is good. The percentage of loans to low-income borrowers is well below the percentage of low-income families in the AA. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families. SNB's market share for both low- and moderate-income borrowers exceeds its overall market share.

Small Loans to Businesses

Refer to Table 11 of Appendix C for the facts and data used to evaluate the bank's distribution of loans to businesses of different sizes.

The distribution of loans to businesses of different sizes is good. The percentage of small loans to businesses is below the percentage of small businesses in the MSA. SNB's market share of lending to small businesses exceeds its overall market share.

Camden, NJ MD (MD 15804)

The overall distribution of loans to borrowers of different income levels and businesses of different sizes in this AA reflects good penetration.

Home Mortgage Loans

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

The distribution of home mortgage loans to borrowers of different income levels in MD 15804 reflects good penetration.

Home Purchase Lending

The borrower distribution of home purchase loans is excellent. The percentage of loans to low-income borrowers is near to the percentage of low-income families in the AA. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families. SNB's market share for both low- and moderate-income borrowers exceeds its overall market share.

Home Improvement Lending

The borrower distribution of home improvement loans is excellent. The percentage of loans to low- and moderate-income borrowers exceeds the percentage of low- and moderate-income families, respectively. SNB's market share for both low- and moderate-income borrowers exceeds its overall market share.

Home Refinance Lending

The borrower distribution of home refinance loans is good. The percentage of loans to low-income borrowers is well below the percentage of low-income families in the AA. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families. SNB's market share for both low- and moderate-income borrowers exceeds its overall market share.

Small Loans to Businesses

Refer to Table 11 of Appendix C for the facts and data used to evaluate the bank's distribution of loans to businesses of different sizes.

The distribution of loans to businesses of different sizes is good. The percentage of small loans to businesses is near to the percentage of small businesses in the MD. SNB's market share of lending to small businesses exceeds its overall market share.

Edison-New Brunswick, NJ MD (MD 20764)

The overall distribution of loans to borrowers of different income levels and businesses of different sizes in this AA reflects good penetration.

Home Mortgage Loans

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

The distribution of home mortgage loans to borrowers of different income levels in MD 20764 reflects good penetration.

Home Purchase Lending

The borrower distribution of home purchase loans is excellent. The percentage of loans to low- and moderate-income borrowers exceeds the percentage of low- and moderate-income families, respectively. SNB's market share for both low- and moderate-income borrowers exceeds its overall market share.

Home Improvement Lending

The borrower distribution of home improvement loans is good. The percentage of loans to low-income borrowers is below the percentage of low-income families. The percentage of loans to moderate-income borrowers is near to the percentage of moderate-income families. SNB's market share for both low- and moderate-income borrowers exceeds its overall market share.

Home Refinance Lending

The borrower distribution of home refinance loans is good. The percentage of loans to low-income borrowers is well below the percentage of low-income families in the AA. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families. SNB's market share for both low- and moderate-income borrowers exceeds its overall market share.

Small Loans to Businesses

Refer to Table 11 of Appendix C for the facts and data used to evaluate the bank's distribution of loans to businesses of different sizes.

The distribution of loans to businesses of different sizes is good. The percentage of small loans to businesses is below the percentage of small businesses in the MD. SNB's market share of lending to small businesses exceeds its overall market share.

Vineland-Millville-Bridgeton, NJ MSA (MSA 47220)

The overall distribution of loans to borrowers of different income levels and businesses of different sizes in this AA reflects good penetration.

Home Mortgage Loans

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

The distribution of home mortgage loans to borrowers of different income levels in MSA 47220 reflects good penetration.

Home Purchase Lending

The borrower distribution of home purchase loans is adequate. The percentage of loans to low-income borrowers is significantly below the percentage of low-income families. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families. SNB's market share for low-income borrowers is significantly below its overall market share. SNB's market share for moderate-income borrowers exceeds its overall market share.

Home Improvement Lending

The borrower distribution of home improvement loans is excellent. The percentage of loans to low-income borrowers is well below the percentage of low-income families. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families. SNB's market share for both low- and moderate-income borrowers exceeds its overall market share.

Home Refinance Lending

The borrower distribution of home refinance loans is excellent. The percentage of loans to low-income borrowers is significantly below the percentage of low-income families in the AA. The percentage of loans to moderate-income borrowers exceeds the percentage of moderate-income families. SNB's market share for low-income borrowers exceeds its overall market share. SNB's market share for moderate-income borrowers is near to its overall market share.

Small Loans to Businesses

Refer to Table 11 of Appendix C for the facts and data used to evaluate the bank's distribution of loans to businesses of different sizes.

The distribution of loans to businesses of different sizes is adequate. The percentage of small loans to businesses is below the percentage of small businesses in the MSA. SNB's market share of lending to small businesses is near to its overall market share.

Community Development Lending

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

SNB has made a relatively high level of community development loans which had a positive impact on the Lending Test rating.

Atlantic City – Hammonton, NJ MSA (MSA 12100)

SNB made an adequate level of community development loans in this AA, which had a neutral impact on the Lending Test. SNB originated three loans totaling \$1.158 million. Two loans totaling \$858 thousand were to organizations providing affordable housing for low- and moderate-income individuals.

SNB originated one loan totaling \$300 thousand to an organization offering community services targeting low- and moderate-income individuals.

Camden, NJ MD (MD 15804)

SNB made a low level of community development loans in this AA, which had a neutral impact on the Lending Test. SNB originated one loan totaling \$250 thousand to an organization promoting economic development in the AA.

Edison-New Brunswick, NJ MD (MD 20764)

SNB made a relatively high level of community development loans in this AA, which had a positive impact on the Lending Test. SNB originated two loans totaling \$11.834 million. One loan totaling \$8.5 million was used to construct a 100 unit affordable housing project for seniors with all of the units rented to low- or moderate-income individuals. A second loan totaling \$3.334 million was a SBA 504 loan used to finance construction of a warehouse facility, which promoted business growth and job creation in the area.

Vineland-Millville-Bridgeton, NJ MSA (MSA 47220)

SNB is a leader in making community development loans in this AA which had a positive impact on the Lending Test. SNB originated four loans totaling \$22.5 million. The largest loan, which totaled \$20 million, was originated to a local economic development corporation, which is working to promote economic development in Cumberland County. SNB originated a \$1.6 million loan to a local preservation society working to restore a building in a moderate-income tract in an Urban Enterprise Zone. SNB also originated two loans totaling \$900 thousand to organizations offering community services targeting low- and moderate-income individuals.

In the Limited Scope AA's, SNB originated one loan totaling \$1.0 million to an organization in the Wilmington, DE-MD-NJ MD AA which provided community services targeting low- and moderate-income individuals. SNB did not originate any community development loans in the remaining Limited Scope areas during the evaluation period. SNB also originated two loans totaling \$8.95 million to organizations outside the bank's combined AA's which provided a broader statewide benefit. Both loans were to organizations that provide affordable housing for low- and moderate-income individuals.

Product Innovation and Flexibility

SNB continues to offer the flexible affordable home mortgage program "Sun Keys Affordable Mortgage Product" to address specific credit needs of the communities. The product is a 30 year fixed-rate residential mortgage product with a high allowable loan-to-value of 96.50 percent with no requirement for private mortgage insurance. During the evaluation period, management closed four loans totaling \$534 thousand. In 2012, after conducting outreach in the community, management began offering a low dollar amount secured credit card. The Sun Keys Affordable Mortgage Product and secured credit card had a neutral impact on the Lending Test.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the Ocean City, NJ MSA AA, Trenton-Ewing, NJ MSA AA and Wilmington, DE-MD-NJ MD AA is not inconsistent with the bank's overall High Satisfactory performance under the Lending Test. In the Newark-Union, NJ MD AA, the bank's performance is weaker than the bank's overall High Satisfactory performance

resulting from poor geographic dispersion of loans. The weaker performance had minimal impact on the overall rating. Refer to Tables 1 through 13 in Appendix C for the facts and data that support these conclusions.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test is rated Low Satisfactory. Based on full-scope reviews, the bank's performance in the Atlantic City - Hammonton, NJ MSA AA, Camden, NJ MD AA, Edison – New Brunswick, NJ MD AA, and the Vineland-Millville-Bridgeton, NJ MSA AA is adequate.

Statewide and regional investments, grants, and donations were considered, in their entirety, in the MSA or MD they had potential to benefit. In cases where the investment, grant, or donation benefited more than one MSA or MD, the investment was considered, in its entirety, to benefit the MSA or MD designated by management. The prior period investments that were previously allocated are also considered to benefit the MSA or MD designated by management.

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

Atlantic City - Hammonton, NJ MSA (MSA 12100)

SNB has an adequate level of qualified investments and grants and exhibits adequate responsiveness to meeting the identified needs of the AA.

SNB made two investments during the evaluation period totaling \$1.4 million. Specifically, SNB invested in one mortgage-backed security totaling \$1.1 million. This investment was collateralized by pools of residential mortgages originated to low- and moderate-income borrowers throughout this AA. SNB provided \$250 thousand as an equity investment in a non-profit organization, which directly benefited the Atlantic City - Hammonton, NJ MSA AA. This investment provided capital to a non-profit organization which extends loans directly to small businesses through the SBA 504 and Micro Loan programs.

SNB also made nine grants and donations totaling \$16 thousand to organizations that provide economic development and community services to low- and moderate-income individuals and geographies within the Atlantic City – Hammonton, NJ MSA AA.

Camden, NJ MD (MD 15804)

SNB has an adequate level of qualified investments and grants and exhibited adequate responsiveness to meeting the identified needs of the area.

During the current evaluation period, SNB invested in two Neighborhood Revitalization Tax Credit (NRTC) projects totaling \$200 thousand and made two grants and donations totaling \$6 thousand.

Specifically, SNB contributed \$150 thousand on behalf of Camden Lutheran Housing NRTC project earmarked toward Respond, Inc.'s New Worker Job development Center. In addition, the bank also contributed \$50 thousand in connection with Cooper Hospital's Cooper Plaza NRTC project which is dedicated to revitalizing an eight block residential neighborhood anchored by Cooper Hospital in Camden, New Jersey. The NRTC program is administered by the New Jersey Department of Community Affairs.

SNB also made two grants and donations totaling \$6 thousand to organizations that provide economic development and community services to low- and moderate-income individuals and geographies within this AA.

Prior period investments consist of six qualified CD investments with a remaining balance of \$1.9 million that continue to directly benefit the Camden, NJ MD AA. All six of these investments were mortgage backed securities that were collateralized with pools of residential mortgages originated to low-and moderate-income borrowers.

Edison – New Brunswick NJ MD (MD 20764)

SNB had an adequate level of qualified investments and grants and exhibits an adequate responsiveness to meeting the identified needs of the area. There are opportunities for CD investments in the AA.

During the evaluation period, there were no new investments in this AA. However, SNB has seventeen prior period investments with a current book value of \$4.4 million. All seventeen of these investments were mortgage-backed securities that were collateralized with pools of residential mortgages originated to low- and moderate-income borrowers.

SNB made four grants and donations for a total of \$7.6 thousand to four organizations that provide community services to low- and moderate-income individuals.

Vineland-Millville-Bridgeton, NJ MSA (MSA 47220)

SNB has an adequate level of qualified investments and grants and exhibits an adequate responsiveness to meeting the identified needs of the area. While there are opportunities for CD investments in this AA, there is competition for these investments.

During the evaluation period, there were no new investments in this AA. However, there was one prior period investment with a current book value of \$531 thousand. This investment is a mortgage backed security collateralized with pools of residential mortgages originated to low- and moderate-income borrowers.

SNB also made six grants and donations totaling \$23 thousand to organizations that provide economic development, affordable housing, and community services to low- and moderate-income individuals.

Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the investment test in the Newark-Union, NJ MD AA and the Ocean City, NJ MSA AA, is not inconsistent with the bank's overall Low

Satisfactory performance under the investment test. The bank's performance in the Trenton-Ewing, NJ MSA AA, and the Wilmington DE-MD-NJ MD AA is weaker than the bank's overall Low Satisfactory performance because of lower volumes of investments.

Performance in the limited-scope assessment areas is taken into consideration, but it does not impact the overall conclusion.

Refer to Table 14 in Appendix C for the facts and data that support these conclusions.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated High Satisfactory. Based on full-scope reviews, the bank's performance in the Atlantic City – Hammonton, NJ MSA AA, Camden, NJ MD AA, Edison-New Brunswick, NJ MD AA, and Vineland-Millville-Bridgeton, NJ MSA AA is good. Service delivery systems are accessible to essentially all portions of the institution's AAs. SNB provides a relatively high level of community development services.

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.

Atlantic City - Hammonton, NJ MSA (MSA 12100)

SNB's delivery systems are accessible to essentially all portions of the Atlantic City -Hammonton, NJ MSA AA. SNB operates nine of its 60 branches within this MSA. Of these branches, one was located in a low-income geography, none were in moderate-income geographies, six were located in middle-income geographies, and two were located in upper- income geographies.

As a percentage of the total number of branches, 11.11 percent of the branches were located in low-income geographies where 4.31 percent of the population resides; none were in moderate-income geographies where 16.09 percent of the population lives. The distribution of SNB's branches in low-income geographies exceeds the percentage of the population residing in this geography; and the distribution of branches in moderate-income geographies is significantly lower than the percentage of the population living in this geography.

No branches are located in moderate-income geographies; yet one branch is in a low-income geography. Although a majority of the branches are located in middle-income geographies, these branches allow delivery systems to be accessible to essentially all portions of the MDs.

During the evaluation period, SNB opened a de novo branch in an upper-income census tract; and also consolidated another branch in an upper-income census tract into a branch in the same census tract. The branch opening adversely affected the accessibility of its delivery system in low- and moderate-income geographies and to low- and moderate-income individuals.

SNB's services do not vary in a way that inconveniences certain portions of the AA, particularly low- and moderate-income geographies and/or individuals. A full line of traditional banking products and services are offered at all the branches. Extended hours are offered at least one day a week at all the branches. Only one branch has Sunday morning hours. Eight of the branches offer drive-through services, one of which is located in a low-income geography. All the branches have ATMs. There are no longer any offsite ATMs in this MSA.

SNB offers effective alternate delivery systems such as ATMs, mobile banking, and internet banking. Management also offers an affordable checking account and low minimum balance credit card. However, we placed no weight on these products and services, as there is no determination of the volume of use in low- and moderate- income geographies and by low- and moderate-income individuals.

Camden, NJ MD (MD 15804)

SNB's delivery systems are readily accessible to geographies and individuals of different income levels in the Camden, NJ MD AA. SNB operates nine of its 60 branches in this MD. Of these nine branches, none are in a low-income geography, one is located in a moderate-income geography, two are located in middle-income geographies, and five are located in upper-income geographies.

As a percentage of the total number of branches, there are no branches in low-income geographies where 6.00 percent of the population resides; and 11.11 percent of the branches are in moderate-income geographies where 12.38 percent of the population resides. The distribution of branches in low- and moderate-income geographies is lower than the percentage of the population residing in such geographies.

During the evaluation period, a new limited service branch was opened in an upper-income tract and a full service branch was opened in a middle- income tract. Two branches in middle- income tracts were consolidated into branches in the same geographies; and two branches in moderate-income tracts were consolidated into a branch in an upper-income geography and a branch in a moderate- income geography. The branch consolidations adversely affected the accessibility of its delivery system in moderate-income geographies and to low- and moderate- income individuals.

SNB's services do not vary in a way that inconveniences certain portions of the AA, particularly low- and moderate-income geographies and/or individuals. A full line of traditional banking products and services are offered at all branches. All branches offer extended hours of operations at least one day per week. All of the full service branches have Saturday morning hours. Four branches, two in the middle-income tract and two in the upper-income tract, have Sunday morning hours. The upper- income branches are adjacent or close to low- and moderate- income geographies. All of the branches have ATMs and drive-through services. In addition, an offsite ATM is located in a moderate-income geography in Riverside, NJ.

SNB offers effective alternate delivery systems such as ATMs, mobile banking, and internet banking. Management also offers an affordable checking account and low minimum balance credit card. However, we placed no weight on these products and services as there is no determination of the volume of use in low- and moderate- income geographies and by low- and moderate- income individuals.

Edison – New Brunswick, NJ MD (MD 20764)

SNB's delivery systems are readily accessible to essentially all portions of the Edison – New Brunswick, NJ MD AA. SNB operates 21 of its 60 branches within this MD. Of these branches, one is located in a

low-income geography, four were in moderate-income geographies, eleven were in middle-income geographies, and five were in upper-income geographies.

As a percentage of the total number of branches, 4.76 percent of the branches were located in low-income geographies where 3.91 percent of the population lives; and 19.05 percent of the branches were located in moderate-income geographies where 17.20 percent of the population lives. The distribution of branches in low-income geographies exceeds the percentage of the population residing in this geography; and the distribution of SNB's branches in moderate-income geographies exceeds the percentage of the population living in this geography.

One branch is located in a low-income area and four branches are in moderate-income areas. Although this MSA contains 11 branches in middle-income areas, these areas are adjacent to low- and moderate-income geographies. These middle-income branches allow delivery systems to be accessible to essentially all portions of the MD.

During the evaluation period, SNB consolidated two middle-income branches into existing branches. These changes did not adversely affect the accessibility of its delivery system particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.

SNB's services do not vary in a way that inconveniences certain portions of the AA, particularly low- and moderate-income geographies and/or individuals. All the branches offer a full line of traditional bank products and services. With the exception of the limited service branch and the drive-thru branch, all the other full time branches offer extended hours of operations at least one day per week. All but one of the branches has Saturday morning hours. Four branches offer Sunday morning hours; and all but two of the branches offer drive-through services. With the exception of the limited service branch, all other branches have ATMs. One offsite ATM is located at the Sea Oaks Country Club.

SNB offers effective alternate delivery systems such as ATMs, mobile banking, and internet banking. Management also offers an affordable checking account and low minimum balance credit card. However, we placed no weight on these products and services, as there is no determination of the volume of use in low- and moderate income geographies and by low- and moderate- income individuals.

Vineland-Milville-Bridgeton, NJ MSA (MSA 47220)

SNB's delivery systems are readily accessible to geographies and individuals of different income levels in the Vineland-Milville-Bridgeton, NJ MSA AA. Five of SNB's 60 branches are located within this MSA. Of these five branches, two are located in low- income geographies, two are located in moderate-income geographies, and one is located in a middle-income geography. There are no branches in upper-income geographies.

As a percentage of the total number of branches, 40.00 percent of the branches were located in low-income geographies where 5.07 percent of the population resides; and 40.00 percent of the branches were located in moderate-income geographies where 17.50 percent of the population lives. The distribution of SNB's branches in low- and moderate-income geographies exceeds the percentage of the population residing in these geographies. Between all the branches, they are located or adjacent to all the low- and moderate-income geographies.

During the evaluation period, SNB consolidated one branch. This branch was located in a middle-income tract and was consolidated into an existing branch in a low- income tract. The branch

consolidation did not adversely affect the accessibility of its delivery system in low- and moderate-income geographies and to low- and moderate-income individuals.

SNB's services do not vary in a way that inconveniences certain portions of the AA, particularly low- and moderate-income geographies and/or individuals. A full line of traditional banking products and services are offered at all branches. All of the full service branches offer extended hours of operations at least one day per week. These branches also have Saturday morning hours. Two branches, one located in a middle-income geography and the other in a low- income tract, offer Sunday morning hours. Four of the full service branches have ATMs and drive through services; the limited service branch also has an ATM. Also, offsite ATMs are located at the Landis Avenue Market, Millville D.T. and the NJ Vet Memorial Home in low- income and moderate-income tracts. Two ATMs at the Vineland Municipal Courthouse and Vineland Municipal Building were closed during the evaluation period.

SNB offers effective alternate delivery systems such as ATMs, mobile banking, and internet banking. Management also offers an affordable checking account and low minimum balance credit card. However, we placed no weight on these products and services as there is no determination of the volume of use in low- and moderate- income geographies and by low- and moderate-income individuals.

Community Development Services

Atlantic City - Hammonton, NJ MSA AA (MSA 12100)

SNB provides a limited level of CD services within the Atlantic City - Hammonton, NJ MSA AA. Financial and technical expertise was provided by bank management and employees in several community organizations that provide housing, microfinance loans, and economic development. These community development services are responsive to the community development needs in the assessment area. The following is a list of CD services that were provided in the AA during the evaluation period.

- An officer and employee serve as the Chair and Board member of an organization that provides innovative housing and employment to low- and moderate-income individuals.
- Two employees are board members and on the loan committee for a nonprofit organization that provides below market interest business loans to small businesses in a low- and moderate-income geography.
- One employee is a volunteer for an organization that provides services for low- and moderate-income employees who have been removed from their homes.

Camden, NJ MD AA (MD 15804)

SNB provides a relatively high level of CD services within the Camden, NJ MD AA. Technical and financial expertise is provided by bank employees and officers through their involvement and participation with qualified community organizations, and by providing financial literacy workshops, advice to small businesses, and technology training. These community development services are responsive to the community development needs in the assessment area. The following highlights the major services provided:

- One employee provided financial literacy for low- and moderate-income homebuyers for an organization that provides affordable housing for low-income individuals.

- An employee provided a financial literacy class for low-income seniors for an organization that provides affordable housing for senior citizens.
- An officer volunteered with an organization to provide advisement to potential small business owners about business plans and ways to obtain financing.
- An employee is on a housing committee and provides technical advice for a development corporation that is involved in converting a property into an affordable housing building.
- An officer is a Board member and is on the business committee for an organization that provides technology training to low- and moderate-income inner-city youth.
- An officer is a Board member for an economic development organization that provides entrepreneurship training to low- and moderate-income individuals.
- An officer serves on an organization that provides special advocates for low- and moderate-income children that have been removed from their homes.

Edison – New Brunswick, NJ MD AA (MD 20764)

SNB provides an adequate level of community development services within the Edison – New Brunswick, NJ MD AA. Bank management and employees provided their financial and technical expertise by participating in organizations to assist in starting and growing small businesses, volunteering to build and renovate homes, providing financial literacy education, affordable housing programs, and participating in an economic development board that attracts small businesses.

- One employee provided a financial literacy workshop for small business owners in a low- and moderate-income geography.
- One officer is on a Family Selection committee for an organization that builds and renovates affordable housing for Habitat for Humanity.
- Two employees volunteer for an organization that provides affordable housing and financial services to low- and moderate-income families.
- An employee provided a financial literacy workshop for an affordable housing organization to low- and moderate-income first time homebuyers.

Vineland-Millville-Bridgeton, NJ MSA AA (47220)

SNB provides a relatively high level of CD services within the Vineland-Millville-Bridgeton, NJ MSA AA. Financial and technical expertise is provided by bank management and employees to qualified community organizations and through participation in financial literacy workshops, providing microfinance loans, affordable housing, and education. The CD services are responsive to the community development needs in the area. The following is a list of CD services provided during the evaluation period:

- An employee is a Secretary and is on the Marketing Committee for a nonprofit organization that provides below market business loans to small businesses in the area.
- An employee is a Vice Chairman and serves on the Planning & Finance Committee for an organization that works with low- and moderate-income individuals for affordable housing.
- An employee is a Board member and serves on the Financial Advisory committee for an organization that provides low income housing for senior citizens located in the area.
- An officer is a Chairman for an organization that coordinates planning for child care subsidy programs for low- and moderate-income families.
- Ten employees and officers provided a financial literacy workshop for an organization that develops low- and moderate-income youth through entrepreneurship education.

- An officer and an employee were school specialists for a council organization that provides a strong partnership for parents, teachers, and the community to get involved in low- and moderate-income students' education.
- An employee is a Board member and is on a building committee for an economic development corporation that assists in urban and economic development.
- Eleven officers and employees assisted a nonprofit organization with providing free tax preparation and services for low- and moderate-income individuals.
- An officer serves as a Board member for an economic development board that creates good jobs for a low- and moderate-income geography.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the Trenton-Ewing, NJ MSA AA, the Ocean City, NJ MSA AA, and the Newark-Union, NJ MD is not inconsistent with the bank's overall High Satisfactory performance under the service test in New Jersey. Due to the closing of one branch in the Wilmington DE-MD-NJ MD AA in 2010, the bank's performance under the service test in the Wilmington MD is inconsistent with the bank's overall High Satisfactory performance under the Service Test. Performance in that MD is poor.

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): April 1, 2009 to December 31, 2011	
	Investment and Service Tests and CD Loans: July 13, 2009 to January 28, 2013	
Financial Institution	Products Reviewed	
Sun National Bank (SNB) Vineland, New Jersey	Home Mortgages (Home Purchase, Home Improvement, Home Refinance), Small Loans to Businesses, CD Loans, Qualified Investments and Qualified Services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Sun Home Loans, Inc. (SHL)	Subsidiary of SNB	Home Mortgages
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Atlantic City – Hammonton, NJ MSA 12100	Full Scope	2000 Census Information for demographics
Ocean City, NJ MSA 36140	Limited Scope	
Vineland-Millville-Bridgeton, NJ MSA 47220	Full Scope	2011 Market share data for both home mortgages and small loans to business
Trenton-Ewing, NJ MSA 45940	Limited Scope	
New York-Northern NJ-Long Island, NY NJ PA MSA 35620		2011 and 2012 Market share data for deposits
-Edison, New Brunswick, NJ MD 20764	Full Scope	
-Newark-Union, NJ MD 35084	Limited Scope	
Philadelphia-Camden- Wilmington, PA-NJ-DE-MD MSA 37980		
-Camden, NJ MD 15804	Full Scope	
-Wilmington, DE-MD-NJ MD 48864	Limited Scope	

Appendix B: Market Profiles for Full-Scope Areas

Atlantic City-Hammonton, NJ MSA (MSA 12100)

Sun-12100 AC MSA

Demographic Information for Full Scope Area: Sun-12100 AC MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	63	6.35	17.46	57.14	17.46	1.59
Population by Geography	252,552	4.31	16.09	61.29	17.52	0.80
Owner-Occupied Housing by Geography	63,040	0.98	9.67	66.07	23.25	0.04
Business by Geography	24,630	5.21	12.52	59.81	22.45	0.02
Farms by Geography	613	0.33	3.75	77.16	18.76	0.00
Family Distribution by Income Level	63,431	19.29	18.27	23.34	39.11	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	23,820	7.59	22.30	58.17	11.95	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		51,769 71,100 10%	Median Housing Value Unemployment Rate (Bureau of Labor Statistics as of 12/31/2012)		120,946 14.3%	

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

Source: 2000 US Census and 2011 HUD updated MFI

The Atlantic City-Hammonton, NJ MSA AA (MSA 12100) is located in the southeastern part of the State and is comprised of all of Atlantic County, NJ. The AA complies with the CRA guidelines and does not arbitrarily exclude LMI geographies.

According to the 2000 U.S. Census Data, there are a total of 63 census tracts in this AA. There are four low-income tracts, 11 moderate-income tracts, 36 middle-income tracts, 11 upper-income tracts, and one has not been assigned an income classification.

The overall population of the Atlantic City-Hammonton, NJ MSA AA is 252,552 per the 2000 U.S. Census Data. The AA population comprises 95,025 households and 63,431 families. Of this population, 10,875 (4.31%) of people reside in low-income geographies, 40,624 (16.09%) reside in moderate-income geographies, 154,785 (61.29%) reside in middle-income geographies, 44,238 (17.52%) reside in upper-income geographies, and 2,030 (0.80%) reside in geographies where income data was not available.

The 2000 Census reports median family income of \$51,769 and the 2011 HUD updated median family income is \$71,100. Approximately 10% of the households are below the poverty level. Approximately 19% of the families in the AA are low-income, 18% are moderate-income, 23% are middle-income, and 39% are upper-income. The median housing value was \$120,946 while median household income was \$44,331. There are 114,090 housing units, of which, 78% were one to four family units and 22% were multi-family housing. Owner-occupied housing is 55%, rental-occupied housing is 28%, and vacant housing is 17%.

According to the 2011 Business Demographic Data, there are a total of 24,630 business and 613 farms in the assessment area. The primary industries in the MSA are Services, which account for approximately 42.34% of the total industries, followed by Non-Classifiable Establishments and Retail Trade at 19.73% and 13.52% respectively. Approximately 5% of businesses are located in low-income tracts, 13% are located in moderate-income tracts, 60% are located in middle-income tracts, and 22% are located in upper-income tracts. Approximately 67% of the businesses reporting have revenues of less than \$1 million and approximately 68% of the businesses and farms reporting have less than 10 employees. The largest employers in Atlantic County include Borgata Hotel Casino & Spa, Trump Plaza Hotel & Casino, Bally's Atlantic City, and Showboat Casino.

There are a total of nine branches in the Atlantic City-Hammonton, NJ MSA, accounting for 15% of the total branches. A full line of traditional banking products and services are offered at all branches. Eight of the branches have extended hours at least one day per week, as well as Saturday morning hours. In addition, one branch has Sunday morning hours. Eight of the branches also offer drive-through services. All branches are equipped with ATMs.

Based on the June 30, 2012 FDIC Summary of Deposits, Sun National Bank ranks 5th out of 16 institutions in the Atlantic City, NJ MSA with a 9.43 percent market share. According to the June 30, 2012 deposit data, major competitors include Wells Fargo Bank, N. A. (19.66% market share), TD Bank, N. A. (17.91% market share) and Bank of America, N. A. (11.68% market share).

The unemployment rate in the Atlantic City-Hammonton, NJ MSA as of December 2012 was 14.3%, significantly higher than the national unemployment rate of 7.8%.

Camden, NJ MD (MD 15804)**Sun-15804 Camden MD**

Demographic Information for Full Scope Area: Sun-15804 Camden MD						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	318	5.97	15.41	57.23	19.81	1.57
Population by Geography	1,186,999	6.00	12.38	59.47	22.13	0.02
Owner-Occupied Housing by Geography	321,989	3.02	9.38	62.69	24.91	0.00
Business by Geography	103,809	3.82	9.81	58.79	27.33	0.24
Farms by Geography	2,159	0.65	6.90	61.56	30.85	0.05
Family Distribution by Income Level	310,492	18.85	18.50	24.62	38.03	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	115,960	11.14	18.71	57.92	12.24	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		62,032 86,000 7%	Median Housing Value Unemployment Rate (Bureau of Labor Statistics as of 12/31/2012)		121,422 9.8%	

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

Source: 2000 US Census and 2011 HUD updated MFI

The Camden, NJ MD AA is a subset of the larger Philadelphia-Camden-Wilmington, PA-NJ-DE-MD, MSA (MSA 37980). The Camden MD consists of the Burlington, Camden, and Gloucester counties in south New Jersey. The AA complies with the CRA guidelines and does not arbitrarily exclude LMI geographies.

According to the 2000 U.S. Census Data, there are 318 census tracts in this AA. There are 19 low-income tracts, 49 moderate-income tracts, 182 middle-income tracts, 63 upper-income tracts, and five that have not been assigned an income classification.

The overall population of the Camden, NJ MD is 1,186,999 per the 2000 U.S. Census Data. The AA population comprises 431,163 households and 310,492 families. Of this population, 71,255 (6.00%) of people reside in low-income geographies, 146,938 (12.38%) reside in moderate-income geographies, 705,956 (59.47%) reside in middle-income geographies, and 262,665 (22.13%) reside in upper-income geographies.

The 2000 Census reports median family income of \$62,302 and the 2011 HUD updated MD median family income is \$86,000. Approximately 7% of the households are below the poverty level. Approximately 19% of the families in the AA are low-income, 19% are moderate-income, 25% are middle-income, and 38% are upper-income. The median housing value was \$121,422 while median household income was \$55,564. There are 456,044 housing units, of which, 85% were one to four family units and 15% were multi-family housing. Owner-occupied housing is 71%, rental-occupied housing is 24%, and vacant housing is 6%.

According to the 2011 Business Demographic Data, there are a total of 103,809 businesses and 2,159 farms in the assessment area. The primary industries in the MD are Services, which account for approximately 44.72% of the total industries, followed by Non-Classifiable Establishments and Retail

Trade at 19.11% and 11.11% respectively. Approximately 4% of the businesses are located in low-income geographies, 10% are located in moderate-income geographies, 59% are located in middle-income geographies, and 27% are located in upper-income geographies. Approximately 67% of the businesses reporting have revenues of less than \$1 million and approximately 68% of the businesses and farms reporting have less than 10 employees. Top employers in Burlington County include Virtua Memorial Hospital, Lockheed Martin, and Burlington Coat Factory. The top employer in Camden County is the Kings Bay Naval Submarine Base. The top employers in Gloucester County include Underwood Memorial Hospital, Kennedy Memorial Hospital and Rowan University.

There are a total of nine branches located in the Camden, NJ MD AA, accounting for 15% of the total number of branches. The nine branches are comprised of eight full service branches and one limited scope branch. Eight of the branches have extended hours of operation at least one day a week. Eight of the branches have Saturday hours and four of the branches have Sunday morning hours. Eight of the branches offer drive-through services and all locations are equipped with ATMs. A full line of traditional banking products and services are offered at all branches.

Based on the June 30, 2012 FDIC Summary of Deposits, Sun National Bank ranks 11th out of 37 institutions in the Camden, NJ MD AA with a 2.06 percent deposit market share. Competition for deposits and loans is strong in this MD, particularly from larger regional and multi-state financial institutions. According to the June 30, 2012 deposit data, major competitors are TD Bank, N. A. (29.38% market share), Wells Fargo Bank N. A. (12.11% market share), and PNC Financial (10.49% market share).

The unemployment rate in the Camden, NJ MD AA, as of December 2012, was 9.8%, higher than the national unemployment rate of 7.8%. Camden County has the highest unemployment rate in the MD of 10.5% compared to Gloucester County of 9.9% and Burlington County 9.1%.

Edison-New Brunswick, NJ MD (MD 20764)**Sun-20764 Edison MD**

Demographic Information for Full Scope Area: Sun-20764 Edison MD						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	496	4.64	18.35	51.61	24.80	0.60
Population by Geography	2,173,869	3.91	17.20	51.81	26.93	0.15
Owner-Occupied Housing by Geography	595,582	3.50	14.87	51.71	29.93	0.00
Business by Geography	209,968	3.04	13.68	51.01	32.17	0.11
Farms by Geography	4,120	1.04	9.20	53.74	36.02	0.00
Family Distribution by Income Level	570,961	19.11	18.58	22.73	39.58	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	215,185	7.80	25.84	52.10	14.26	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		69,978 95,300 6%	Median Housing Value Unemployment Rate (Bureau of Labor Statistics as of 12/31/2012)		182,418 8.7%	

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

Source: 2000 US Census and 2011 HUD updated MFI

The Edison-New Brunswick, NJ MD consists of all of Middlesex, Monmouth, Ocean, and Somerset Counties in Central New Jersey. The MD is a subset of the larger New York-Northern NJ-Long Island, NY-NJ-PA MSA (MSA 35620). The AA complies with the CRA guidelines and does not arbitrarily exclude LMI geographies.

According to the 2000 U.S. Census Data, there are a total of 496 census tracts in this AA. The AA consists of 23 low-income tracts, 91 moderate-income tracts, 256 middle-income tracts, 123 upper-income tracts, and 3 that have not been assigned an income classification.

The overall population of the Edison-New Brunswick, NJ MD AA is 2,173,869 per the 2000 U.S. Census Data. The AA population comprises 799,968 households and 570,961 families. Of this population, 85,051(3.91%) of people reside in low-income geographies, 373,939 (17.20%) reside in moderate-income geographies, 1,126,194 (51.81%) reside in middle-income geographies, 585,404 (26.93%) reside in upper-income geographies, and 3,281 (0.15%) reside in geographies where income data was not available.

The 2000 Census reports median family income of \$69,978 and the 2011 HUD updated MD median family income is \$95,300. Approximately 6% of the households are below the poverty level. Approximately 19% of families in the AA are low-income, 19% are moderate-income, 23% are middle-income, and 39% are upper-income. The median housing value was \$182,418 while median household income was \$63,289. Based on the housing values and the median family income, there is a lack of affordability for a low-income individual or family to purchase a home. According to the above, the average median housing value is \$182,418, and a low-income individual or family earns less than \$45,000 per year. There are 875,255 housing units, of which, 85% were one to four family units and

15% were multi-family housing. Owner-occupied housing is 68%, rental-occupied housing is 23%, and vacant housing is 9%.

According to the 2011 Business Demographic Data, there are a total of 209,968 businesses and 4,120 farms in the assessment area. The primary industries in the MD are Services, which account for approximately 44.43% of the total industries, followed by Non-Classifiable Establishments and Retail Trade at 18.33% and 11.13% respectively. Approximately 3% of the businesses are located in low-income geographies, 14% are located in moderate-income geographies, 51% are located in middle-income geographies, and 32% are located in upper-income geographies. Approximately 69% of the businesses reporting have revenues of less than \$1 million and approximately 70% of the businesses and farms reporting have less than ten employees.

The top employers in Middlesex County are Robert Wood Johnson Hospital; Novo Nordisk; Wakefern Food Corp.; Bristol-Myers Squibb; and St. Peters University Hospital. The top employers in Monmouth County are Meridian Health System; County of Monmouth; Central State Healthcare Systems; and Monmouth Medical Center. The top employers in Ocean County consist of Saint Barnabas Health Care Systems-Community/Kimball/Behavioral Health/Ambulatory Care, Six Flags Theme Park, Inc., Naval Engineering Station-Naval Air Warfare Center, Toms River Regional School System, and Ocean County government. The top employers in Somerset County are Avaya Inc., Cegedim Relationship Management, Executive Risk Indemnity Inc., Johnson & Johnson Research & Development, and Northwestern Pacific Indemnity.

There are 21 branches in the Edison-New Brunswick, NJ MD, representing 35% of the total branches. The 21 branches are comprised of 19 full-service branches and two limited service branches. A full line of traditional banking products and services are offered at all the full service branches. Seventeen of the branches have extended hours of operations at least one day per week. Two branches have Sunday morning hours. Twenty branches are equipped with ATMs and all but one has drive-through services.

Based on the June 30, 2012 FDIC Summary of Deposits, Sun National Bank ranks 17th out of 63 institutions in the Edison-New Brunswick, NJ MD with a 0.99 percent market share. Competition for loans and deposits is strong in this MD. Major competitors in the MD include Wells Fargo Bank, N. A. (14.18% market share), PNC Financial (12.16% market share), TD Bank, N. A. (10.61% market share), and Bank of America, N. A. (10.58%).

The unemployment rate in the Edison-New Brunswick, NJ MD as of December 2012 was 8.7%, higher than the national unemployment rate of 7.8%.

Vineland-Millville-Bridgeton, NJ MSA (MSA 47220)**Sun-47220 Vineland MSA**

Demographic Information for Full Scope Area: Sun-47220 Vineland MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	34	5.88	20.59	44.12	20.59	8.82
Population by Geography	146,438	5.07	17.50	54.11	23.32	0.00
Owner-Occupied Housing by Geography	33,392	1.56	10.01	59.09	29.35	0.00
Business by Geography	10,458	7.67	16.15	48.47	27.71	0.00
Farms by Geography	345	0.29	4.06	50.43	45.22	0.00
Family Distribution by Income Level	35,373	21.78	17.56	20.35	40.31	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	13,915	5.12	23.84	55.33	15.70	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		45,377 62,400 14%	Median Housing Value Unemployment Rate (Bureau of Labor Statistics as of 12/31/2012)		87,791 13.9%	

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2000 US Census and 2011 HUD updated MFI

The Vineland-Millville-Bridgeton, NJ MSA AA (MSA 47220) is located in extreme Southern New Jersey and consists entirely of Cumberland County, NJ. The AA complies with the CRA guidelines and does not arbitrarily exclude LMI geographies.

According to the 2000 U.S. Census Data, there are a total of 34 census tracts in this AA. There are two low-income tracts, seven moderate-income tracts, 15 middle-income tracts, seven upper-income tracts, and three that have not been assigned an income classification.

The overall population of the Vineland-Millville-Bridgeton, NJ MSA AA is 146,438 per the 2000 U.S. Census Data. The AA population comprises 49,096 households and 35,373 families. Of this population, 7,426 (5.07%) of people reside in low-income geographies, 25,630 (17.50%) reside in moderate-income geographies, 79,239 (54.11%) reside in middle-income geographies, and 34,143 (23.32%) reside in upper-income geographies.

The 2000 Census reports median family income of \$45,377, and the 2011 HUD updated MSA median family income is \$62,400. Approximately 14% of the households are below the poverty level. Approximately 22% of the families in the AA are low-income, 18% are moderate-income, 20% are middle-income, and 40% are upper-income. The median housing value was \$87,791 while median household income was \$40,371. There are 52,863 housing units, of which, 88% were one to four family units and 12% were multi-family housing. Owner-occupied housing is 63%, rental-occupied housing is 30%, and vacant housing is 7%.

According to the 2011 Business Demographic Data, there are a total of 10,458 businesses and 345 farms in the AA. The primary industries in the MSA are Services, which account for approximately 41.98% of the total industries, followed by Non-Classifiable Establishments and Retail Trade at 18.81% and 13.48% respectively. Approximately, 8% of the businesses are located in low-income tracts, 16% are

located in moderate-income tracts, 48% are located in middle-income tracts, and 28% are located in upper-income tracts. Approximately, 66% of the businesses reporting have revenues of less than \$1 million and approximately 67% of the businesses and farms reporting have less than ten employees. The top employers in the MSA consist of the South Jersey Hospital System, Gerreshimer Glass, Wal-Mart, ShopRite, and Durand Glass Manufacturing.

There are five branches in this AA, accounting for 8% of the total branches. The five branches are comprised of four full service branches and one limited scope branch. A full line of traditional banking products and services are offered at all branches. Four of the branches have extended hours of operations at least one day per week. Four of the branches also have Saturday morning hours. Two branches have Sunday morning hours. Four of the branches offer drive-up services and all branches are equipped with ATMs.

Based on the June 30, 2012 FDIC Summary of Deposits, Sun National Bank ranks 1st out of 12 institutions in the Vineland-Millville-Bridgeton, NJ MSA with a 19.98 percent market share. According to the June 30, 2012 deposit data, major competitors consist of: Colonial Bank, FSB, who ranks 2nd with a 15.92% market share followed by Susquehanna Bank, who ranks 3rd with a market share of 14.01%.

The unemployment rate in the Vineland-Millville-Bridgeton, NJ MSA AA as of December 2012 was 13.9%, significantly higher than the national unemployment rate of 7.8%.

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. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- 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** - 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.

Institution ID: Sun NB

Table 1. Lending Volume

LENDING VOLUME		Geography: NEW JERSEY						Evaluation Period: APRIL 1, 2009 TO DECEMBER 31, 2011				
Assessment Area (2011):	% 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:												
Sun-12100 AC MSA	17.45	412	69,139	294	77,774	0	0	3	1,158	709	148,071	18.30
Sun-15804 Camden MD	20.29	561	83,628	262	59,750	0	0	1	250	824	143,628	17.48
Sun-20764 Edison MD	31.31	651	143,029	618	155,593	1	200	2	11,834	1,272	310,656	25.75
Sun-47220 Vineland MSA	9.97	193	18,663	208	56,706	0	0	4	22,500	405	75,369	19.97
Limited Review:												
Sun-35084 Newark MD	4.31	83	14,950	92	23,866	0	0	0	0	175	38,816	5.29
Sun-36140 Ocean City MSA	9.70	220	45,685	174	33,540	0	0	0	0	394	79,225	6.13
Sun-45940 Trenton MSA	5.34	136	24,912	81	18,277	0	0	0	0	217	43,189	5.69
Sun-48864 Wilmington MD	1.62	44	3,983	21	3,120	0	0	1	1,000	66	8,103	1.40

* Loan Data as of December 31, 2011. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from July 13, 2009 to January 28, 2013.

*** Deposit Data as of June 30, 2012. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: Sun NB

Table 1. Other Products

LENDING VOLUME		Geography: NEW JERSEY						Evaluation Period: APRIL 1, 2009 TO DECEMBER 31, 2011						
Assessment Area (2011):	% of Rated Area Loans (#) in MA/AA	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:														
Sun-12100 AC MSA	17.45	0	0	0	0	0	0	0	0	0	0	0	0	18.30
Sun-15804 Camden MD	20.29	0	0	0	0	0	0	0	0	0	0	0	0	17.48
Sun-20764 Edison MD	31.31	0	0	0	0	0	0	0	0	0	0	0	0	25.75
Sun-47220 Vineland MSA	9.97	0	0	0	0	0	0	0	0	0	0	0	0	19.97
Limited Review:														
Sun-35084 Newark MD	4.31	0	0	0	0	0	0	0	0	0	0	0	0	5.29
Sun-36140 Ocean City MSA	9.70	0	0	0	0	0	0	0	0	0	0	0	0	6.13
Sun-45940 Trenton MSA	5.34	0	0	0	0	0	0	0	0	0	0	0	0	5.69
Sun-48864 Wilmington MD	1.62	0	0	0	0	0	0	0	0	0	0	0	0	1.40

* Loan Data as of December 31, 2011. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Optional Product Line(s) is from April 1, 2009 to December 31, 2011.

*** Deposit Data as of June 30, 2012. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: Sun NB

Table 1. Other Products

LENDING VOLUME		Geography: NEW JERSEY		Evaluation Period: APRIL 1, 2009 TO DECEMBER 31, 2011	
Assessment Area (2011):	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
Full Review:					
Sun-12100 AC MSA	0	0	0	0	
Sun-15804 Camden MD	0	0	0	0	
Sun-20764 Edison MD	0	0	0	0	
Sun-47220 Vineland MSA	0	0	0	0	
Limited Review:					
Sun-35084 Newark MD	0	0	0	0	
Sun-36140 Ocean City MSA	0	0	0	0	
Sun-45940 Trenton MSA	0	0	0	0	
Sun-48864 Wilmington MD	0	0	0	0	

* The evaluation period for Optional Product Line(s) is from April 1, 2009 to December 31, 2011.

Institution ID: Sun NB

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: NEW JERSEY						Evaluation Period: APRIL 1, 2009 TO DECEMBER 31, 2011							
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Sun-12100 AC MSA	91	20.54	0.98	5.49	9.67	15.38	66.10	60.44	23.26	18.68	1.24	0.00	4.22	1.05	0.84
Sun-15804 Camden MD	124	27.99	3.02	0.81	9.38	3.23	62.69	63.71	24.91	32.26	0.23	0.00	0.08	0.19	0.39
Sun-20764 Edison MD	117	26.41	3.50	1.71	14.87	17.09	51.71	59.83	29.93	21.37	0.20	0.00	0.27	0.24	0.11
Sun-47220 Vineland MSA	43	9.71	1.56	0.00	10.01	13.95	59.09	62.79	29.35	23.26	0.84	0.00	1.69	0.81	0.66
Limited Review:															
Sun-35084 Newark MD	10	2.26	7.48	0.00	18.00	20.00	19.94	50.00	54.58	30.00	0.04	0.00	0.00	0.15	0.03
Sun-36140 Ocean City MSA	34	7.67	0.00	0.00	21.44	17.65	50.49	55.88	28.06	26.47	0.49	0.00	0.86	0.45	0.38
Sun-45940 Trenton MSA	14	3.16	6.07	21.43	12.82	14.29	38.98	28.57	42.12	35.71	0.24	0.85	0.00	0.32	0.19
Sun-48864 Wilmington MD	10	2.26	3.80	0.00	14.42	20.00	81.78	80.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2011 Peer Mortgage Data (USPR)

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

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: Sun NB

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: NEW JERSEY						Evaluation Period: APRIL 1, 2009 TO DECEMBER 31, 2011						
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Sun-12100 AC MSA	81	16.60	0.98	0.00	9.67	4.94	66.10	83.95	23.26	11.11	7.91	0.00	15.38	9.57	2.70
Sun-15804 Camden MD	109	22.34	3.02	0.92	9.38	16.51	62.69	62.39	24.91	20.18	1.42	0.00	3.90	1.20	1.42
Sun-20764 Edison MD	125	25.61	3.50	0.80	14.87	26.40	51.71	40.80	29.93	32.00	1.73	0.00	3.78	1.35	1.68
Sun-47220 Vineland MSA	60	12.30	1.56	1.67	10.01	1.67	59.09	71.67	29.35	25.00	7.75	0.00	0.00	10.67	4.49
Limited Review:															
Sun-35084 Newark MD	18	3.69	7.48	0.00	18.00	5.56	19.94	61.11	54.58	33.33	0.57	0.00	1.00	1.29	0.24
Sun-36140 Ocean City MSA	37	7.58	0.00	0.00	21.44	16.22	50.49	64.86	28.06	18.92	4.12	0.00	2.08	6.67	1.19
Sun-45940 Trenton MSA	41	8.40	6.07	4.88	12.82	7.32	38.98	24.39	42.12	63.41	2.81	0.00	2.94	1.96	3.79
Sun-48864 Wilmington MD	17	3.48	3.80	11.76	14.42	11.76	81.78	76.47	0.00	0.00	1.44	0.00	0.00	1.63	0.00

* Based on 2011 Peer Mortgage Data (USPR)

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

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: Sun NB

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE 2011			Geography: NEW JERSEY						Evaluation Period: APRIL 1, 2009 TO DECEMBER 31,						
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	Overall	Low	Mod	Mid	Upp
Full Review:															
Sun-12100 AC MSA	240	17.56	0.98	0.42	9.67	4.58	66.10	70.00	23.26	25.00	1.38	0.00	0.88	1.51	1.17
Sun-15804 Camden MD	327	23.92	3.02	0.31	9.38	6.42	62.69	61.77	24.91	31.50	0.36	0.00	0.33	0.43	0.26
Sun-20764 Edison MD	408	29.85	3.50	0.98	14.87	14.46	51.71	45.34	29.93	39.22	0.21	0.31	0.28	0.20	0.21
Sun-47220 Vineland MSA	90	6.58	1.56	0.00	10.01	14.44	59.09	50.00	29.35	35.56	1.26	0.00	2.44	0.85	1.63
Limited Review:															
Sun-35084 Newark MD	55	4.02	7.48	0.00	18.00	0.00	19.94	23.64	54.58	76.36	0.16	0.00	0.00	0.22	0.17
Sun-36140 Ocean City MSA	149	10.90	0.00	0.00	21.44	17.45	50.49	48.99	28.06	33.56	1.00	0.00	1.60	1.18	0.64
Sun-45940 Trenton MSA	81	5.93	6.07	1.23	12.82	7.41	38.98	23.46	42.12	67.90	0.42	0.00	0.51	0.37	0.45
Sun-48864 Wilmington MD	17	1.24	3.80	0.00	14.42	11.76	81.78	88.24	0.00	0.00	0.29	0.00	0.00	0.32	0.00

* Based on 2011 Peer Mortgage Data (USPR)

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

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

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: Sun NB

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY			Geography: NEW JERSEY				Evaluation Period: APRIL 1, 2009 TO DECEMBER 31, 2011					Market Share (%) by Geography				
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans						
Full Review:																
Sun-12100 AC MSA	0	0.00	14.40	0.00	27.71	0.00	51.78	0.00	6.10	0.00	0.00	0.00	0.00	0.00	0.00	
Sun-15804 Camden MD	1	50.00	6.64	0.00	24.73	0.00	57.35	100.00	11.28	0.00	0.00	0.00	0.00	0.00	0.00	
Sun-20764 Edison MD	1	50.00	7.81	0.00	24.08	100.00	53.46	0.00	14.66	0.00	0.00	0.00	0.00	0.00	0.00	
Sun-47220 Vineland MSA	0	0.00	6.08	0.00	25.05	0.00	46.63	0.00	22.24	0.00	0.00	0.00	0.00	0.00	0.00	
Limited Review:																
Sun-35084 Newark MD	0	0.00	39.86	0.00	36.02	0.00	13.36	0.00	10.76	0.00	0.00	0.00	0.00	0.00	0.00	
Sun-36140 Ocean City MSA	0	0.00	0.00	0.00	22.14	0.00	53.11	0.00	24.75	0.00	0.00	0.00	0.00	0.00	0.00	
Sun-45940 Trenton MSA	0	0.00	19.55	0.00	8.94	0.00	40.17	0.00	31.35	0.00	0.00	0.00	0.00	0.00	0.00	
Sun-48864 Wilmington MD	0	0.00	28.57	0.00	27.82	0.00	43.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2011 Peer Mortgage Data (USPR)

** Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

*** Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

**** Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Institution ID: Sun NB

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES 2011		Geography: NEW JERSEY						Evaluation Period: APRIL 1, 2009 TO DECEMBER 31,							
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses**	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Sun-12100 AC MSA	294	16.82	5.21	8.16	12.52	15.65	59.81	54.76	22.45	21.43	1.85	2.08	2.01	1.73	2.17
Sun-15804 Camden MD	262	14.99	3.82	3.05	9.81	8.78	58.79	57.63	27.33	30.53	0.39	0.26	0.53	0.45	0.31
Sun-20764 Edison MD	616	35.24	3.04	2.44	13.68	21.43	51.01	51.14	32.17	25.00	0.33	0.32	0.66	0.33	0.26
Sun-47220 Vineland MSA	208	11.90	7.67	7.21	16.15	15.87	48.47	38.94	27.71	37.98	4.26	4.35	5.42	3.81	4.73
Limited Review:															
Sun-35084 Newark MD	92	5.26	18.04	1.09	22.67	18.48	15.02	4.35	44.28	76.09	0.16	0.00	0.20	0.03	0.22
Sun-36140 Ocean City MSA	174	9.95	0.00	0.00	19.68	22.41	54.95	61.49	25.37	16.09	1.92	0.00	2.52	2.05	1.36
Sun-45940 Trenton MSA	81	4.63	10.69	19.75	10.70	7.41	32.32	22.22	46.30	50.62	0.37	1.47	0.76	0.28	0.25
Sun-48864 Wilmington MD	21	1.20	5.68	9.52	14.91	23.81	79.42	66.67	0.00	0.00	0.59	0.00	1.11	0.56	0.00

* Based on 2011 Peer Small Business Data -- US and PR

** 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 (2011).

Institution ID: Sun NB

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS			Geography: NEW JERSEY								Evaluation Period: APRIL 1, 2009 TO DECEMBER 31, 2011				
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:															
Sun-12100 AC MSA	0	0.00	0.33	0.00	3.75	0.00	77.16	0.00	18.76	0.00	0.00	0.00	0.00	0.00	0.00
Sun-15804 Camden MD	0	0.00	0.65	0.00	6.90	0.00	61.56	0.00	30.85	0.00	0.00	0.00	0.00	0.00	0.00
Sun-20764 Edison MD	1	100.00	1.04	0.00	9.20	0.00	53.74	100.00	36.02	0.00	1.41	0.00	0.00	3.45	0.00
Sun-47220 Vineland MSA	0	0.00	0.29	0.00	4.06	0.00	50.43	0.00	45.22	0.00	0.00	0.00	0.00	0.00	0.00
Limited Review:															
Sun-35084 Newark MD	0	0.00	2.65	0.00	7.15	0.00	20.46	0.00	69.74	0.00	0.00	0.00	0.00	0.00	0.00
Sun-36140 Ocean City MSA	0	0.00	0.00	0.00	18.04	0.00	56.01	0.00	25.95	0.00	0.00	0.00	0.00	0.00	0.00
Sun-45940 Trenton MSA	0	0.00	3.01	0.00	9.03	0.00	33.61	0.00	54.35	0.00	0.00	0.00	0.00	0.00	0.00
Sun-48864 Wilmington MD	0	0.00	0.27	0.00	5.84	0.00	93.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2011 Peer Small Business Data -- US and PR

** 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 (2011).

Institution ID: Sun NB

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: NEW JERSEY						Evaluation Period: APRIL 1, 2009 TO DECEMBER 31, 2011							
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 ¹	% BANK Loans**	% Families***	% BANK Loans**	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Sun-12100 AC MSA	91	20.54	19.29	13.19	18.27	24.18	23.34	21.98	39.11	40.66	1.43	3.37	1.66	1.70	0.85
Sun-15804 Camden MD	124	27.99	18.85	17.07	18.50	38.21	24.62	17.89	38.03	26.83	0.28	0.38	0.42	0.06	0.29
Sun-20764 Edison MD	117	26.41	19.11	20.51	18.58	28.21	22.73	17.09	39.58	34.19	0.22	0.47	0.24	0.11	0.22
Sun-47220 Vineland MSA	43	9.71	21.78	2.33	17.56	25.58	20.35	41.86	40.31	30.23	1.02	0.00	1.53	0.52	1.42
Limited Review:															
Sun-35084 Newark MD	10	2.26	29.23	10.00	17.04	40.00	18.36	30.00	35.38	20.00	0.05	0.00	0.07	0.06	0.03
Sun-36140 Ocean City MSA	34	7.67	18.91	11.76	18.76	17.65	21.69	17.65	40.65	52.94	0.53	4.08	1.45	0.60	0.34
Sun-45940 Trenton MSA	14	3.16	20.71	28.57	17.30	28.57	21.40	28.57	40.58	14.29	0.28	0.48	0.27	0.15	0.28
Sun-48864 Wilmington MD	10	2.26	22.65	20.00	20.90	40.00	24.60	30.00	31.85	10.00	0.00	0.00	0.00	0.00	0.00

* Based on 2011 Peer Mortgage Data (USPR)

** 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 0.2% of loans originated and purchased by bank.

¹ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: Sun NB

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: NEW JERSEY										Evaluation Period: APRIL 1, 2009 TO DECEMBER 31, 2011				
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 ²	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
Full Review:																
Sun-12100 AC MSA	81	16.60	19.29	6.25	18.27	21.25	23.34	32.50	39.11	40.00	8.05	4.55	8.60	9.82	7.10	
Sun-15804 Camden MD	109	22.34	18.85	22.02	18.50	23.85	24.62	26.61	38.03	27.52	1.50	1.54	1.58	1.36	1.57	
Sun-20764 Edison MD	125	25.61	19.11	13.60	18.58	17.60	22.73	30.40	39.58	38.40	1.83	2.30	1.85	2.16	1.45	
Sun-47220 Vineland MSA	60	12.30	21.78	10.00	17.56	20.00	20.35	25.00	40.31	45.00	8.03	12.50	9.52	5.48	8.47	
Limited Review:																
Sun-35084 Newark MD	18	3.69	29.23	16.67	17.04	33.33	18.36	16.67	35.38	33.33	0.62	0.00	1.96	0.00	0.60	
Sun-36140 Ocean City MSA	37	7.58	18.91	10.81	18.76	13.51	21.69	37.84	40.65	37.84	4.30	0.00	5.56	5.66	4.00	
Sun-45940 Trenton MSA	41	8.40	20.71	7.32	17.30	12.20	21.40	21.95	40.58	58.54	2.91	1.89	2.02	1.71	4.49	
Sun-48864 Wilmington MD	17	3.48	22.65	11.76	20.90	29.41	24.60	17.65	31.85	41.18	1.53	0.00	0.00	2.27	2.08	

* Based on 2011 Peer Mortgage Data (USPR)

** 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 0.2% of loans originated and purchased by bank.

² Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: Sun NB

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE 2011			Geography: NEW JERSEY						Evaluation Period: APRIL 1, 2009 TO DECEMBER 31,						
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families***	% BANK Loans****	% Families ³	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans*** *	Overall	Low	Mod	Mid	Upp
Full Review:															
Sun-12100 AC MSA	240	17.56	19.29	5.83	18.27	22.50	23.34	25.00	39.11	46.67	1.69	3.14	2.23	1.42	1.51
Sun-15804 Camden MD	327	23.92	18.85	7.36	18.50	23.31	24.62	29.45	38.03	39.88	0.46	0.48	0.59	0.53	0.34
Sun-20764 Edison MD	408	29.85	19.11	8.62	18.58	20.69	22.73	28.33	39.58	42.36	0.25	0.45	0.26	0.29	0.21
Sun-47220 Vineland MSA	90	6.58	21.78	3.37	17.56	22.47	20.35	33.71	40.31	40.45	1.64	5.00	1.63	2.00	1.10
Limited Review:															
Sun-35084 Newark MD	55	4.02	29.23	3.64	17.04	14.55	18.36	29.09	35.38	52.73	0.19	0.22	0.33	0.22	0.15
Sun-36140 Ocean City MSA	149	10.90	18.91	9.40	18.76	14.77	21.69	21.48	40.65	54.36	1.14	3.10	2.08	1.25	0.95
Sun-45940 Trenton MSA	81	5.93	20.71	7.41	17.30	22.22	21.40	25.93	40.58	44.44	0.51	0.47	1.03	0.47	0.40
Sun-48864 Wilmington MD	17	1.24	22.65	12.50	20.90	31.25	24.60	25.00	31.85	31.25	0.25	0.00	0.48	0.00	0.34

* Based on 2011 Peer Mortgage Data (USPR)

** Home refinance loans originated and purchased in the MA/AA as a percentage of all home 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 0.4% of loans originated and purchased by bank.

³ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Institution ID: Sun NB

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES 2011		Geography: NEW JERSEY			Evaluation Period: APRIL 1, 2009 TO DECEMBER 31,				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share	
	#	% of Total**	% of Businesses ***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
Full Review:									
Sun-12100 AC MSA	294	16.80	66.95	40.48	40.14	25.17	34.69	1.85	2.38
Sun-15804 Camden MD	262	14.97	67.46	51.91	50.38	19.85	29.77	0.39	0.44
Sun-20764 Edison MD	618	35.31	68.77	49.51	43.37	23.95	32.69	0.33	0.40
Sun-47220 Vineland MSA	208	11.89	65.50	35.10	37.50	22.12	40.38	4.26	3.97
Limited Review:									
Sun-35084 Newark MD	92	5.26	67.87	56.52	48.91	18.48	32.61	0.16	0.19
Sun-36140 Ocean City MSA	174	9.94	67.33	52.87	54.02	23.56	22.41	1.92	2.35
Sun-45940 Trenton MSA	81	4.63	65.33	55.56	46.91	22.22	30.86	0.37	0.58
Sun-48864 Wilmington MD	21	1.20	68.51	57.14	61.90	23.81	14.29	0.59	1.23

* Based on 2011 Peer Small Business Data -- US and PR

** 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 - 2011).

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

Institution ID: Sun NB

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: NEW JERSEY			Evaluation Period: APRIL 1, 2009 TO DECEMBER 31, 2011				
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:									
Sun-12100 AC MSA	0	0.00	95.76	0.00	0.00	0.00	0.00	0.00	0.00
Sun-15804 Camden MD	0	0.00	95.92	0.00	0.00	0.00	0.00	0.00	0.00
Sun-20764 Edison MD	1	100.00	96.09	0.00	0.00	100.00	0.00	1.41	0.00
Sun-47220 Vineland MSA	0	0.00	95.36	0.00	0.00	0.00	0.00	0.00	0.00
Limited Review:									
Sun-35084 Newark MD	0	0.00	97.35	0.00	0.00	0.00	0.00	0.00	0.00
Sun-36140 Ocean City MSA	0	0.00	96.20	0.00	0.00	0.00	0.00	0.00	0.00
Sun-45940 Trenton MSA	0	0.00	95.65	0.00	0.00	0.00	0.00	0.00	0.00
Sun-48864 Wilmington MD	0	0.00	96.29	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2011 Peer Small Business Data -- US and PR

** 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 - 2011).

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

Institution ID: Sun NB

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: NEW JERSEY				Evaluation Period: JULY 13, 2009 TO JANUARY 28, 2013			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Sun-12100 AC MSA	0	0	11	1,383	11	1,383	14.77	0	0
Sun-15804 Camden MD	6	1,902	4	206	10	2,108	22.51	0	0
Sun-20764 Edison MD	17	4,486	4	8	21	4,493	47.97	0	0
Sun-47220 Vineland MSA	1	531	6	24	7	555	5.93	0	0
Limited Review:									
Sun-35084 Newark MD	1	35	7	275	8	310	3.31	0	0
Sun-36140 Ocean City MSA	1	344	1	2	2	346	3.69	0	0
Sun-45940 Trenton MSA	2	111	11	22	13	133	1.42	0	0
Sun-48864 Wilmington MD	1	34	2	3	3	37	0.40	0	0

* 'Prior Period Investments' means investments made in a previous 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.

Institution ID: Sun NB

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS TO JANUARY 28, 2013								Geography: NEW JERSEY				Evaluation Period: JULY 13, 2009					
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:																	
Sun-12100 AC MSA	18.30	9	15.00	11.00	0.00	66.67	22.22	1	0	0	0	0	+1	4.31	16.09	61.29	17.52
Sun-15804 Camden MD	17.48	9	15.00	0.00	11.11	22.22	66.67	2	4	0	-2	-1	+1	6.00	12.38	59.47	22.13
Sun-20764 Edison MD	25.75	21	35.00	4.76	19.05	52.38	23.81	0	2	0	0	-2	0	3.91	17.20	51.81	26.93
Sun-47220 Vineland MSA	19.97	5	8.33	40.00	20.00	20.00	0.00	0	1	0	0	-1	0	5.07	17.50	54.11	23.32
Limited Review:																	
Sun-35084 Newark MD	5.29	4	6.67	0.00	25.00	25.00	50.00	1	1	0	0	0	0	22.09	28.84	15.89	33.18
Sun-36140 Ocean City MSA	6.13	6	10.00	0.00	33.33	50.00	16.67	0	1	0	0	0	-1	0.00	23.79	51.50	24.71
Sun-45940 Trenton MSA	5.69	5	8.33	20.00	0.00	20.00	60.00	0	0	0	0	0	0	11.94	14.87	35.29	37.37
Sun-48864 Wilmington MD	1.40	1	1.67	0.00	0.00	100.0	0.00	0	3	0	-1	-2	0	8.09	16.50	75.41	0.00

