



# LARGE BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## **PUBLIC DISCLOSURE**

January 02, 2012

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Fulton Bank, National Association  
Charter Number: 24891

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Office of the Comptroller of the Currency

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

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## Overall CRA Rating

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

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

Performance Levels	Fulton Bank N.A. Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		
Low Satisfactory		X	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:

- Fulton Bank's lending activity reflects responsiveness to assessment area (AA) credit needs.
- Fulton Bank's record of distributing its originations of home mortgages among AA geographies of different income levels reflects adequate geographic penetration. Fulton Bank's record of distributing small loans to businesses among AA geographies of different income levels reflects good geographic penetration.
- Fulton Bank originated a substantial majority of its home mortgages and small loans to businesses within its combined AAs.
- Fulton Bank's record of distributing its originations of home mortgages among AA borrowers of different income levels reflects good penetration among AA borrowers. Fulton Bank's record of distributing its originations of small loans to AA businesses of different sizes reflects adequate penetration among AA businesses.
- Fulton Bank's record of community development (CD) lending and product innovation and flexibility had a neutral impact on the lending test conclusion.
- Fulton Bank's funding of qualified CD investments and donations overall reflects adequate responsiveness to AA credit needs.
- Fulton Bank's service delivery systems overall are reasonably accessible to AA geographies and individuals of different income levels.

## 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 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

Fulton Bank, N.A. (Fulton Bank) is an interstate bank headquartered in Lancaster, Pennsylvania. Fulton Bank operates 117 full-service branch offices in Pennsylvania, Virginia and Delaware and an additional five drive-up only facilities. Fulton Bank is an \$8.9 billion full service bank providing a wide range of products for personal and business purposes. Fulton Bank is a wholly owned subsidiary of Fulton Financial Corporation (FFC). FFC is a \$16.3 billion financial services company also headquartered in Lancaster, Pennsylvania.

FFC directly owns six community banks, three financial service companies and five non-bank entities. The financial institutions are located in the Atlantic region (Pennsylvania, Delaware, Maryland, New Jersey and Virginia.) Of FFC's community banks, two affiliates of Fulton Bank are also national banks. The two other national bank affiliates are FNB Bank N.A. and Swineford National Bank. Of total FFC assets, \$9.6 billion, representing 59% are housed within the three national banks. And of total FFC assets, \$8.9 billion, representing 54% are housed within Fulton Bank alone. Resource Bank, previously state chartered, with total assets of \$1.3 billion was merged into Fulton Bank during the first quarter of 2008. Delaware National Bank with assets of \$472 million was merged into Fulton Bank on December 5, 2010. Fulton Financial Advisors, N.A., (FFA) a limited purpose trust company, has operated from within Fulton Bank since January of 2010. FFA has \$4.3 billion in assets under management and \$0.5 billion in assets under administration.

Fulton Bank operates 117 branch offices in Pennsylvania, Virginia and Delaware. As of September 30, 2011, Fulton Bank had assets totaling \$8.9 billion, deposits totaling \$6.7 billion and tier one capital totaling \$851 million. Fulton Bank's net loans and leases totaled \$6.75 billion, representing 75.12% of total assets. Fulton Bank's other assets included investments which totaled \$1.3 billion. Fulton Bank's loan portfolio is comprised primarily of home mortgage (1-4 family) loans, and non-farm, non-residential loans which represented 30.44%, and 31.72% of the portfolio respectively. Construction and development, municipal, agricultural and individual loans comprise the majority of the remainder of Fulton Bank's loan portfolio. Since residential mortgage and small loans to businesses represent significant portions of Fulton Bank's loan portfolio, they are considered to be primary loan products for Fulton Bank.

There are no legal, financial or other factors impeding the bank's ability to help meet the credit needs of its assessment areas. Fulton Bank was rated Outstanding at its last CRA examination dated January 30, 2009.



## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The evaluation period for the Lending Test, with the exception of Community Development (CD) Loans, is October 1, 2009 through September 30, 2011. Conclusions regarding the bank's lending performance are based on HMDA (Home Mortgage Disclosure Act) reportable loan data and CRA (small loans to businesses) reportable data originated or purchased between October 1, 2009 and September 30, 2011. During the evaluation period, Fulton Bank also originated or purchased a nominal number of farm and multi-family loans. The volume of farm and multifamily loans were minimal relative to the entirety of Fulton Bank's loan portfolio and are not considered to be primary loan products for the bank. Therefore, an analysis of the bank's record of originating farm and multi-family loans would not have been meaningful and was not performed. The Lending Tables for farm and multi-family loans have been eliminated.

For CD loans, and the Investment and Service Tests, the evaluation period is October 1, 2009 through January 9, 2012. The Lending Test included a review of Fulton Bank's record of originating loans that meet the CD definition and benefit Fulton Bank's AAs. The Investment Test included a review of Fulton Bank's record of funding of investments, grants and donations that meet the CD definition and benefit Fulton Bank's AAs. Any CD qualified investments originated during prior evaluation periods that remained outstanding as of January 9, 2012 were given appropriate consideration. The Service Test included an assessment of the availability of Fulton Bank's services and Fulton Bank's record of providing financial expertise to organizations that meet the CD definition and benefit Fulton Bank's AAs.

### Data Integrity

Prior to this evaluation, the accuracy of HMDA (residential mortgage) data and CRA (small loans to businesses) data was tested. This testing evidenced that the HMDA Data was accurate and could be relied upon for purposes of this evaluation. This testing also evidenced that the CRA loan data was not reasonably accurate and could not be relied upon for purposes of this evaluation. Fulton Bank reviewed and corrected the CRA loan data prior to the start of this examination. Examiners retested the data and validated that the data had been corrected and could be relied upon for purposes of this CRA evaluation. Therefore, examiners utilized the HMDA data and corrected CRA loan data from October 1, 2009 through September 30, 2011 to evaluate the bank's performance.

Loans, investments, and services submitted by management for CD consideration were also reviewed to ensure that they met the regulatory definition for community development. Additionally, selected AAs delineated by Fulton Bank were redefined by examiners to ensure regulatory compliance. Specifically, examiners expanded the AAs to include low and moderate-income geographies which had been excluded from the AAs by the bank.

### Selection of Areas for Full-Scope Review

In each state where Fulton Bank operates a branch office and takes deposits, at least one AA within that state/multistate metropolitan area was selected for a full-scope review. Refer to the

“Scope” section under the state of Pennsylvania, the state of Virginia and the state of Delaware for details regarding how the full-scope AAs were selected.

## **Ratings**

Fulton Bank’s overall rating is a blend of ratings for the state of Pennsylvania, the state of Virginia and the state of Delaware. The rating is based primarily on those areas that received full-scope reviews. The state of Pennsylvania rating is more heavily weighted in arriving at the overall rating since the state of Pennsylvania is the state in which Fulton Bank houses the majority of its branch offices, derives the majority of its deposits and originates the majority of its loans. The Lending Test was rated more heavily than the Investment or Service Test in arriving at the overall rating.



## **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.

## State Rating

### State of Pennsylvania

#### CRA Rating for Pennsylvania<sup>1</sup>: Satisfactory

The lending test is rated: **High Satisfactory**

The investment test is rated: **Low Satisfactory**

The service test is rated: **Low Satisfactory**

The major factors that support this rating include:

- Fulton Bank's lending levels reflect responsiveness to AA credit needs.
- Fulton Bank's record of distributing its originations of home mortgage loans among AA geographies of different income levels reflects adequate geographic penetration. Fulton Bank's record of distributing small loans to businesses among AA geographies of different income levels reflects good geographic penetration.
- Fulton Bank originated a substantial majority of its home mortgage loans and small loans to businesses within its combined AAs.
- Fulton Bank's record of distributing its originations of home mortgages among AA borrowers of different income levels reflects good penetration among AA borrowers. Fulton Bank's record of distributing its originations of small loans to AA businesses of different sizes reflects adequate penetration among AA businesses.
- Fulton Bank did not report originating any CD loans during the evaluation period which had a neutral impact on the lending test conclusion.
- Fulton Bank's record of product innovation and flexibility had a neutral impact on the lending test conclusion.
- Fulton Bank's record of funding qualified CD investments and donations reflected adequate responsiveness to AA credit needs.
- Fulton Bank's service delivery systems are reasonably accessible to AA geographies and individuals of different income levels.
- Fulton Bank's record of participating in CD services was limited.

#### Description of Institution's Operations in Pennsylvania

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<sup>1</sup> For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

Fulton Bank operates a majority of its branch offices within the state of Pennsylvania. Its Pennsylvania branches are situated primarily in the state's south central and south eastern regions. Specifically, Fulton Bank operates a total of 96 branch offices within the state of Pennsylvania. The 96 Pennsylvania branches represent 82.05% of Fulton Bank's total branch network.

Within the state of Pennsylvania, Fulton Bank operates branch offices in seven MSAs and selected non-MSA geographies. The seven Pennsylvania MSAs in which Fulton Bank operates are: Lancaster, Harrisburg, Lebanon, Philadelphia, Reading, State College and York. The non-MSA Pennsylvania geographies in which Fulton Bank operates are located in Schuylkill County. The seven MSAs and the non-MSA geographies comprise Fulton Bank's eight Pennsylvania AAs.

Approximately 88% of Fulton Bank's total deposits are derived from within the state of Pennsylvania. The FDIC's Summary of Deposit Market Share report, for June 30, 2011, reported that of Pennsylvania deposits, Fulton Bank's market share was 1.88%, ranking Fulton Bank 13th among 249 institutions taking deposits in Pennsylvania. Primary competitors for Pennsylvania deposits include PNC Bank, N.A, Wells Fargo Bank, N.A., Citizens Bank of PA, Sovereign Bank, and TD Bank, N.A. During the evaluation period, of Fulton Bank's home mortgages and small loan to businesses, 76% and 85% respectively were originated within the state of Pennsylvania.

Refer to the market profiles for the state of Pennsylvania in Appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

## **Scope of Evaluation in Pennsylvania**

The state of Pennsylvania rating is based primarily on the area that received a full-scope review. In each state where the bank has an office, at least one AA within the state was selected for a full-scope review. We conducted a full scope review of the Lancaster AA.

The Lancaster AA was selected for a full-scope review since for Fulton Bank, within the state of Pennsylvania, the Lancaster AA represents a significant market. Specifically, of Fulton Bank's branch offices, the majority operate within the Lancaster AA. Similarly, of Fulton Bank's Pennsylvania deposits, the majority are derived from the Lancaster AA and of Fulton Bank's Pennsylvania home mortgages and small loans to businesses, the majority are originated within its Lancaster AA. Limited scope reviews were performed for Fulton Bank's Harrisburg, Lebanon, Philadelphia, Reading, Schuylkill, State College and York AAs.

Of the limited-scope AAs, the AA's weighted the most heavily, were the Reading AA followed by the York, Harrisburg, Lebanon, and Philadelphia AAs and finally the State College, and Schuylkill AAs. Fulton Bank's performance within the limited-scope AAs had a moderate

impact on the bank's overall performance in the state of Pennsylvania and a moderate impact on the bank's overall CRA rating.

Refer to the table in Appendix A for more information.

### **Community Contact**

Contact was initiated with a non-profit organization involved with providing an array of programs and services intended to improve community business opportunities. The contact confirmed for the Lancaster AA, that economic decline and restricted lending standards have resulted in growing economic development needs including affordable housing and consumer lending. The contact also credited area banks for responsiveness to community economic development needs. The contact specifically mentioned Fulton Bank's positive engagement in economic development, philanthropy, and business financing in the City of Lancaster.

## **LENDING TEST**

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

The bank's performance under the lending test in Pennsylvania is rated High Satisfactory. Based on a full-scope review, the bank's performance in the Lancaster AA is good.

### **Lending Activity**

Refer to Tables 1 Lending Volume in the state of Pennsylvania section of Appendix D for the facts and data used to evaluate the bank's lending activity.

Fulton Bank originated an adequate level of home mortgage loans and a good level of small loans to businesses in its Lancaster AA. Fulton Bank operates 29 branches and derives approximately 35% of its deposits from its Lancaster AA. According to the June 30, 2011 FDIC Summary of Deposit Market Share report, Fulton Bank had garnered a 23.47% deposit market share in its Lancaster AA, ranking it 1<sup>st</sup> among 18 institutions. Among Fulton Bank's major Lancaster AA competitors are Susquehanna Bank ranking 2<sup>nd</sup> with a 22.82% market share, PNC Bank, N.A., ranking 3<sup>rd</sup> with a 12.36% deposit market share, Wells Fargo Bank N.A. ranking 4<sup>th</sup> with a 10.97% deposit market share, Ephrata National Bank ranking 5<sup>th</sup> with a 6.28% deposit market share and Union Community Bank FSB ranking 6<sup>th</sup> with a 5.02% deposit market share.

The 2010 market share data for all home mortgage lending indicates Fulton Bank ranked 3<sup>rd</sup> among Lancaster AA mortgage lenders with a market share of 7.15%. Based on the same 2010 market share data, Fulton Bank ranked 4<sup>th</sup> among AA lenders with an 8.09% market share in home purchase lending, 1<sup>st</sup> among AA lenders with a 16.65% market share in home improvement lending, and 4<sup>th</sup> among AA lenders with a 7.61% market share in home refinance lending. Home mortgage loan competitors include national lenders Wells Fargo Bank N.A., Bank of America N.A., JP Morgan Chase and PNC Bank N.A. The 2010 market share data for small business data indicates Fulton Bank ranked 2<sup>nd</sup> among Lancaster AA business lenders with a market share of 13.26%. Small business loan competitors include national lenders American Express Bank FSB, US Bank North Dakota, PNC Bank N.A., and Chase Bank USA, N.A.

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

## **Lancaster AA**

Fulton Bank's record of distributing home mortgages among Lancaster AA geographies of different income levels is adequate. Fulton Bank's record of distributing small loans to businesses among Lancaster AA geographies of different income levels is good.

The analysis considered AA home mortgage and business lending opportunities. Of all AA owner-occupied housing, 7,192 housing units are located within low-income Lancaster AA geographies. Of all AA businesses 1,054 businesses are located within low-income Lancaster AA geographies.

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

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

### **Home Purchase Lending**

Fulton Bank's record of originating home purchase loans among Lancaster AA geographies of different income levels is excellent.

Of Fulton Bank's home purchase loan originations, the percentage originated within low-income AA geographies exceeds the percentage of owner-occupied housing units located within those low-income AA geographies. Fulton Bank's market share for home purchase loans originated within low-income AA geographies exceeds its overall home purchase lending AA market share.

Of Fulton Bank's home purchase loan originations, the percentage originated within moderate-income AA geographies exceeds the percentage of owner-occupied housing units located within those geographies. Fulton Bank's market share for home purchase loans originated within moderate-income AA geographies is somewhat lower than its overall home purchase lending AA market share.

### **Home Improvement Lending**

Fulton Bank's record of originating home improvement loans among Lancaster AA geographies of different income levels is adequate.

Of Fulton Bank's home improvement loan originations, the percentage originated within low-income AA geographies is near to the percentage of owner-occupied housing units located within those geographies. Fulton Bank's market share for home improvement loans originated within low-income AA geographies is zero.

Of Fulton Bank's home improvement loan originations, the percentage originated within moderate-income AA is geographies is somewhat lower than the percentage of owner-occupied



housing units located within those geographies. Fulton Bank's market share for home improvement loans originated within moderate-income AA geographies exceeds its overall home improvement lending AA market share.

### **Home Refinance Lending**

Fulton Bank's record of originating home refinance loans to borrowers among Lancaster AA geographies of different income levels is very poor.

Of Fulton Bank's home refinance loan originations, the percentage originated within low-income AA of geographies is somewhat lower than the percentage of owner-occupied housing units located within those geographies. Fulton Bank's market share for home refinance loans originated in low-income AA geographies exceeds its overall home refinance lending AA market share.

Of Fulton Bank's home refinance loan originations, the percentage originated within moderate-income AA geographies is significantly lower than the percentage of owner-occupied housing located within those geographies. Fulton Bank's market share for home refinance loans originated within moderate-income AA geographies is somewhat lower than its overall home refinance lending AA market share.

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

Refer to Table 6 in the state of Pennsylvania section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

Fulton Bank's record of originating small loans to businesses among AA geographies is good.

Of Fulton Bank's small loans to AA businesses, the percentage originated within low-income AA geographies is somewhat lower than the percentage of AA businesses located within those geographies. Fulton Bank's market share for originating small loans to businesses located within low-income AA geographies exceeds its overall market share for originating small loans to AA businesses.

Of Fulton Bank's small loans to AA businesses, the percentage originated within moderate-income AA exceeds the percentage of AA businesses located within those geographies. Fulton Bank's market share for originating small loans to businesses located within moderate-income AA geographies exceeds its overall market share for originating small loans to AA businesses.

### ***Lending Gap Analysis***

A review and analysis of the geographic distribution of Fulton Bank's originations of home mortgage and small loans to businesses among AA geographies did not detect any conspicuous or unexplained gaps in Fulton Bank's lending patterns.

***Inside/Outside Ratio***

Of Fulton Bank's home mortgage and small loans to businesses 87% of the total number and 85% of the total dollar were originated within Fulton Bank's combined AAs. Of total home mortgage loans originated by Fulton Bank, 86% of the number and 83% of the dollar were originated within its combined AAs. By product type, of home mortgages originated by Fulton Bank, 81% and 79% of the number and dollar of home purchase loans, 94% and 91% of the number and dollar of home improvement loans, and 90% and 87% of the number and dollar of home refinance loans were originated within its combined AAs. Also of small loans to businesses originated by Fulton Bank, 95% and 94% of the number and dollar were originated within its combined AAs. Fulton Bank's record of originating home mortgages and small loans to businesses within its combined AAs positively impacted the overall analysis of Fulton Bank's record of distributing home mortgage and small loans to businesses among AA geographies.

**Distribution of Loans by Income Level of the Borrower*****Home Mortgage Loans***

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

Fulton Bank's record of distributing originations of home mortgage loans among AA borrowers of different income levels is good. Fulton Bank's record of distributing originations of small loans among AA businesses of different sizes is adequate.

**Lancaster AA**

Fulton Bank's record of originating home mortgage loans among Lancaster AA borrowers of different income levels is good. And Fulton Bank's record of originating small loans among AA businesses of different sizes is adequate.

The analysis of Fulton Bank's record of originating home mortgages among Lancaster AA borrowers of different income levels and small loans among AA businesses of different sizes, considered home ownership affordability for AA families. HUD median family income, updated for 2011, reports that a low-income AA family earns less than \$34,300 and the average median housing value is \$117,029. Additionally, of total AA households, 7% are below the poverty level and are considered to be very low-income.

***Home Mortgage Loans***

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

## **Home Purchase Lending**

Fulton Bank's record of originating home purchase loans among AA borrowers of different income levels is good.

Of Fulton Bank's home purchase loan originations, the percentage originated to low-income AA borrowers is somewhat less than the percentage of AA families classified as low-income. Fulton Bank's market share of home purchase loans originated to low-income AA borrowers is near to its overall home purchase AA market share.

Of Fulton Bank's home purchase loan originations, the percentage originated to moderate-income AA borrowers exceeds the percentage of AA families classified as moderate-income. Fulton Bank's market share of home purchase loans originated to moderate-income AA borrowers is near to its overall home purchase AA market share.

## **Home Improvement Lending**

Fulton Bank's record of originating home improvement loans among AA borrowers of different income levels is good.

Of Fulton Bank's home improvement loan originations, the percentage originated to low-income AA borrowers is near to the percentage of AA families classified as low-income. Fulton Bank's market share of home improvement loans originated to low-income AA borrowers is near to its overall home improvement AA market share.

Of Fulton Bank's home improvement loan originations, the percentage originated to moderate-income AA borrowers exceeds the percentage of AA families classified as moderate-income. Fulton Bank's market share of home improvement loans originated to moderate-income AA borrowers near to its overall home improvement AA market share.

## **Home Refinance Lending**

Fulton Bank's record of originating home refinance loans among AA borrowers of different income levels is adequate.

Of Fulton Bank's home refinance loan originations, the percentage originated to low-income AA borrowers is somewhat lower than the percentage of AA families classified as low-income. Fulton Bank's market share of home refinance loans originated to low-income AA borrowers is near to its overall home refinance AA market share.

Of Fulton Bank's home refinance loan originations, the percentage originated to moderate-income AA borrowers is near to the percentage of AA families classified as moderate-income. Fulton Bank's market share of home refinance loans originated to moderate-income AA borrowers is near to its overall home refinance AA market share.

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

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

Fulton Bank's record of originating small loans among AA businesses of different sizes is adequate.

Of Fulton Bank's business loan originations, the percentage originated to small AA businesses is somewhat lower than the percentage of AA businesses defined as small. Small businesses are defined as businesses reporting annual revenues of \$1 million or less. Fulton Bank's market share for small loans originated to AA small businesses exceeds its overall market share for small loans originated to AA businesses.

Among seventy-three business loan originators, Fulton Bank's market share for small loans originated to small AA businesses ranks Fulton Bank 2<sup>nd</sup>. The lender garnering a larger market share of small loans originated to small AA businesses is a large national lender. Of Fulton Bank's small loans to businesses, approximately 55% were originated for amounts of \$100 thousand or less.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the state of Pennsylvania section of Appendix D 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.

#### **Lancaster AA**

CD lending had a neutral impact on the lending test conclusions relative to Fulton Bank's performance in the state of Pennsylvania. Fulton Bank did not report originating any loans during the evaluation period that met the CD definition and benefitted its Lancaster AA.

### **Product Innovation and Flexibility**

Product innovation and flexibility had a neutral impact on the lending test conclusion relative to Fulton Bank's performance in the state of Pennsylvania. Fulton Bank did not provide any information relative to the origination or the corresponding impact of any innovative or flexible lending products within its Lancaster AA during the evaluation period.

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

Based on limited-scope reviews, the bank's performance under the lending test in the Lebanon, Schuylkill, State College and York AAs is not inconsistent with the bank's overall High Satisfactory performance under the lending test in the state of Pennsylvania.

The bank's weaker performance in the Harrisburg, Philadelphia and Reading AAs primarily results from the bank's poor record of distributing originations of home mortgages among AA borrowers of different income levels and the bank's very poor record of originating loans among AA business of different sizes. The bank's weaker performance in the Harrisburg and Reading AAs primarily results from its poor record of originating home mortgages in low and moderate-income AA geographies.

The bank's weaker performance in the Harrisburg AA primarily results from the bank's poor record of distributing originations of home mortgages among AA borrowers of different income levels and among AA geographies. The bank's weaker performance in the Philadelphia AA primarily results from the bank's very poor record of distributing originations of home mortgage and small loans to businesses among AA geographies and its poor record of distributing originations of small loans to businesses of different sizes. The bank's weaker performance in the Reading AA primarily results from the bank's poor record of distributing originations of home improvement and home mortgage refinance loans among AA geographies. The bank's performance under the service test in the Harrisburg, Lebanon, Philadelphia, Reading, Schuylkill, State College and York AAs had a moderate impact on conclusions under the lending test for the state of Pennsylvania and a moderate impact on the overall conclusions.

Refer to the Tables 1 through 11 in the state of Pennsylvania section of Appendix D 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 in Pennsylvania is rated Low Satisfactory. Based on a full-scope review, the bank's performance in the Lancaster AA is good.

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

#### **Lancaster AA**

Fulton Bank funded two qualified CD investments and 20 qualified CD contributions which benefitted its Lancaster AA during the evaluation period, reflecting a good level of responsiveness to Lancaster AA community needs.

During the evaluation period, Fulton Bank invested in one low-income housing tax credit project and one new markets tax credit project that directly benefitted its Lancaster AA. Specifically, one CD investment totaled \$2.937 million and was used to repurpose an old factory into 24-units of low-income rental housing. Another CD investment totaled \$3.579 million and was used to renovate a commercial building in Lancaster.

Fulton Bank funded 20 qualified contributions with CD purposes which benefitted the Lancaster AA during the evaluation period. Contributions were made to organizations that

support affordable housing, provide emergency and transitional services to the homeless, health services for low- and moderate-income individuals, assistance for small business owners and entrepreneurs and other services for underserved low- and moderate-income neighborhoods.

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

Based on limited-scope reviews, the bank's performance in the Lebanon, Philadelphia and York AAs was not inconsistent with the bank's overall Low Satisfactory performance under the investment test in the state of Pennsylvania.

Based on limited-scope reviews, the bank's performance in the Harrisburg, Reading, Schuylkill and State College AAs was weaker than its overall Low Satisfactory performance under the investment test in the state of Pennsylvania. The bank's very poor record of community development investment in its Harrisburg, Reading, Schuylkill and State College AAs resulted from the bank's poor responsiveness to AA community needs. Fulton Bank made one qualified contribution of \$300 in the Reading AA during the evaluation period. The bank did not report funding any qualified investments or contributions which benefitted its Harrisburg, Schuylkill, or State College AAs during the evaluation period. The bank's performance under the service test in the Harrisburg, Lebanon, Philadelphia, Reading, Schuylkill and State College and York AAs had a moderate impact on conclusions under the service test for the state of Pennsylvania and a moderate impact on the overall conclusions.

Refer to the Table 14 in the state of Pennsylvania section of Appendix D 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 in Pennsylvania is rated Low Satisfactory. Based on a full-scope review, the bank's performance in the Lancaster AA is adequate.

### **Retail Banking Services**

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

#### **Lancaster AA**

Fulton Bank's delivery systems are reasonably accessible to Lancaster AA geographies and individuals of different income levels. Fulton Bank's services are reasonably accessible to Lancaster AA residents through its branch office and ATM network as well as through its alternative delivery systems. In order to determine the extent of accessibility of Fulton Bank's delivery systems, population demographics, branches and ATM locations were considered.

Fulton Bank operates 29 of its full service branch offices within the Lancaster AA. Of the 29 full service branch offices 2, 0, 25 and 2 are located within Lancaster AA low-moderate-middle-and upper-income geographies respectively. Consequently, as a percentage, of the full service branch offices 6.9%, 0%, 86% and 6.9% are located within Lancaster AA low-moderate-middle-and upper-income geographies respectively. In comparison 3.13%, 8.69%, 79.02% and 9.15% of the Lancaster AA population resides within Lancaster AA low-moderate-middle-and upper-income geographies respectively.

The percentage of branch offices Fulton Bank operates within low-income Lancaster AA geographies exceeds the percentage of the AA population residing within those geographies. Of the 29 branches, 2, representing 6.89% of the total, are located within Lancaster AA low-income geographies. In comparison, of the total Lancaster AA population, 3.13% resides in low-income AA geographies.

The percentage of branch offices Fulton Bank operates within moderate-income Lancaster AA geographies is significantly lower than the percentage of the AA population residing within those geographies. Specifically, Fulton Bank does not operate any branch offices within Lancaster AA moderate-income geographies. In comparison, 8.69% of the Lancaster AA population resides within moderate-income AA geographies.

Fulton Bank also provides accessibility to its services through an alternative delivery system in the form of its ATM network. Fulton Bank operates 30 of its ATMs within the Lancaster AA. Of the 30 ATMs, 2, 1, 24 and 3 are located within Lancaster AA low-moderate-middle-and upper-income geographies respectively. Consequently, as a percentage, of the Lancaster AA ATMs 6.7%, 3.3%, 80.0% and 10.0% are located within Lancaster AA low-moderate-middle-and upper-income geographies respectively. In comparison 3.13%, 8.69%, 79.02% and 9.15% of the Lancaster AA population resides within low-moderate-middle-and upper-income AA geographies respectively.

The percentage of ATMs Fulton Bank operates within low-income Lancaster AA geographies exceeds the percentage of the AA population residing within those geographies. Of the 30 ATMs, 2, representing 6.66% of the total, are located within Lancaster AA low-income geographies. In comparison, of the total Lancaster AA population, 3.13% resides in low-income AA geographies.

The percentage of ATMs Fulton Bank operates within moderate-income Lancaster AA geographies is somewhat lower than the percentage of the AA population residing within those geographies. Of the 30 ATMs, one representing 3.33% of the total resides within Lancaster AA moderate-income geographies. In comparison, of the total Lancaster AA population 8.69% resides in moderate-income AA geographies.

Fulton Bank's record of opening and closing branches has not adversely affected the accessibility of its Lancaster AA delivery systems, particularly in low- and moderate-income AA geographies and to low- and moderate-income AA individuals. Fulton Bank opened one branch office in a middle-income Lancaster AA geography during the evaluation period. Fulton Bank also closed four branch offices located in upper-and middle-income Lancaster AA

geographies during the evaluation period. Fulton Bank did not open or close any branches within low- or moderate-income Lancaster AA geographies during the evaluation period.

Fulton Bank services do not vary in a way that inconveniences portions of the Lancaster AA. Specifically, Fulton Bank services do not vary in a way that would inconvenience Lancaster AA low-and moderate-income geography residents and/or low-and moderate income Lancaster AA individuals. No material differences exist between the range of services or operating hours for branch offices operated by Fulton Bank in low-and moderate-income Lancaster AA geographies as compared middle-and upper-income AA geographies. Fulton Bank's traditional line of banking products and services are offered at all full service branch offices within the Lancaster AA. Fulton Bank offers a variety of checking account products and loan products to serve the needs of its community, including low-and moderate-income Lancaster AA individuals. In particular, Fulton bank offers a free checking account for which no maintenance fees are assessed.

Additionally, Fulton Bank provides accessibility to its services through alternative delivery systems in the form of internet banking, mobile banking, telephone banking and bank-by-mail. Fulton Bank maintains an internet website that provides accessibility to transaction services such as bill paying, loan paying, account transfers and account activity viewing. Fulton Bank also maintains 24-hour telephone banking and mobile banking services. Since Fulton Bank could not provide specific information on how low- and moderate-income individuals have benefitted from these services, no weight was placed on these alternative delivery systems.

### **Community Development Services**

Fulton Bank provided a limited level of CD services within its Lancaster AA. Bank management and staff reported participating with five qualified CD organizations in service activities during the evaluation period. These CD service activities included the provision of financial expertise through direct participation with organizations involved in affordable housing, financial counseling, and other community services for low- and moderate-income individuals.

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

Based on limited-scope reviews, the bank's performance under the service test in the Lebanon, Philadelphia, Schuylkill and York AAs is not inconsistent with its overall Low Satisfactory performance under the service test in the state of Pennsylvania.

The bank's performance under the service test in the Reading AA is stronger than its overall Low Satisfactory performance under the service test in the state of Pennsylvania. The stronger performance is a result of Fulton Bank's excellent record of operating branches and ATMs in low-and moderate-income Reading AA geographies.

The bank's performance under the service test in the Harrisburg and State College AAs is weaker than its overall Low Satisfactory performance under the service test in the state of Pennsylvania. In the bank's Harrisburg AA, the bank's weaker performance is a result of Fulton Bank's very poor record of operating branches and ATMs in moderate-income AA



geographies. In the bank's State College AA, the weaker performance is a result of Fulton Bank's very poor record of operating branches and ATMs in low-and moderate-income AA geographies. In the Harrisburg and State College AAs, Fulton Bank's weaker performance also resulted from the bank's poor record of CD activities. Fulton Bank did not report participating in any CD qualified service activities which benefitted these limited-scope AAs over the evaluation period. The bank's performance under the service test in the Harrisburg, Lebanon, Philadelphia, Reading, Schuylkill, State College and York AAs had a moderate impact on conclusions under the service test for the state of Pennsylvania and a moderate impact on the overall conclusions.

Refer to Table 15 in the state of Pennsylvania section of Appendix D for the facts and data that support these conclusions.

## State Rating

### State of Virginia

#### CRA Rating for Virginia<sup>2</sup>: Satisfactory

**The lending test is rated: Low Satisfactory**

**The investment test is rated: Needs to Improve**

**The service test is rated: Low Satisfactory**

The major factors that support this rating include:

- Fulton Bank's lending activity reflects adequate responsiveness to AA credit needs.
- Fulton Bank's record of distributing its originations of home mortgages among AA geographies of different income levels reflects good penetration among AA geographies. Fulton Bank's record of distributing its originations of small loans to businesses among AA geographies of different income levels reflects excellent penetration among AA geographies.
- Fulton Bank originated a majority of its home mortgages and small loans to businesses within its combined AAs.
- Fulton Bank's record of distributing its originations of home mortgages among AA borrowers of different income levels reflects adequate penetration among AA borrowers. Fulton Bank's record of distributing its originations of small loans among AA businesses of different sizes reflects poor penetration among AA businesses.
- Fulton Bank did not report originating any CD loans during the evaluation period which had a neutral impact on the lending test conclusion.
- Fulton Bank's record of funding qualified CD investments and donations reflects poor responsiveness to AA community credit needs.
- Fulton Bank's service delivery systems are accessible to AA geographies and AA individuals of different income levels.
- Fulton Bank's record of participating in qualified CD services reflects poor responsiveness to AA community needs.

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<sup>2</sup> For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

## Description of Institution's Operations in Virginia

Fulton Bank's operations in the state of Virginia are limited. Fulton Bank operates just ten branch offices in Virginia. Of Fulton Bank's total branch network, these ten branches represent approximately 8.5% of all Fulton Bank branches.

Within the state of Virginia, Fulton Bank operates branch offices in three MSAs. The three Virginia MSAs in which Fulton Bank operates are the Virginia Beach-Norfolk-Newport News (VA Beach) AA, Washington-Arlington-Alexandria (Northern VA) AA, and Richmond AAs. Geographies within these MSAs selected by Fulton Bank for delineation of its AAs comprise Fulton Bank's three Virginia AAs.

Of Fulton Bank's total deposits, approximately 6% are derived from within the state of Virginia. The FDIC Summary of Deposit Market Share Report for June 30, 2011 reported that of Virginia deposits, Fulton Bank's market share was less than 1%, ranking Fulton Bank 52 among 151 institutions taking deposits within the state of Virginia. The greatest percentages of Virginia deposit market share are garnered by Capital One Bank USA NA, E\*Trade Bank, Wells Fargo Bank NA, and Bank of America NA. During the evaluation period, of all home mortgages and small loans to businesses originated by Fulton Bank, less than 1% and 6% respectively, were originated within the state of Virginia.

Refer to the market profiles for the state of Virginia in Appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

## Scope of Evaluation in Virginia

The state of Virginia rating is based primarily on the area that received a full-scope review. In each state where the bank has an office, at least one AA within the state was selected for a full-scope review. We conducted a full scope review of the VA Beach AA.

The VA Beach AA was selected for a full-scope review since for Fulton Bank within the state of Virginia the VA Beach AA represents a more significant market than the Northern VA or Richmond AAs. Specifically, of Fulton Bank's Virginia branch offices, the majority operate within the VA Beach AA. Similarly, of Fulton Bank's Virginia deposits, the majority are derived from the VA Beach AA and of Fulton Bank's Virginia home mortgages and small loans to businesses, the majority are originated within its VA Beach AA.

Limited scope reviews were performed for Fulton Bank's Northern Virginia and Richmond AAs. Of the limited-scope Virginia AAs, the AA weighted the most heavily, was the Richmond AA. Fulton Bank's performance within the limited-scope AAs had a moderate impact on the bank's overall performance in the state of Virginia and a minimal impact on the bank's overall CRA rating.

## **Community Contact**

Contact was initiated with a local non-profit organization charged with diversifying and expanding community employment opportunities. The organization assists new businesses and existing industries by offering programs and instruction in an effort to maximize economic business potential. The contact characterized the area as prosperous with favorable unemployment and poverty rates. Nevertheless, the contact cited ample opportunities for providing credit for affordable housing and small businesses as well as supporting an ongoing need for community development. The contact advised that although financial institutions are generally providing sufficient lending platforms to minority and women-owned businesses that efforts could nonetheless improve. The contact specifically mentioned that Fulton Bank is not considered to be a major factor relative to economic development. The contact also specifically mentioned that Fulton Bank has not had a significant impact on small business lending within the market area.

## **LENDING TEST**

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

The bank's performance under the lending test in Virginia is rated Low Satisfactory. Based on a full-scope review, the bank's performance in the VA Beach AA is adequate.

### **Lending Activity**

Fulton Bank's lending activity in the state of Virginia is adequate, and the bank's lending levels reflect responsiveness to the credit needs of the community.

Refer to Table 1 Lending Volume in the state of Virginia section of Appendix D for the facts and data used to evaluate the bank's lending activity.

Fulton Bank originated a good level of home mortgage loans and small loans to businesses in its VA Beach AA. Fulton Bank operates 6 branches and derives approximately 3% of its deposits from its VA Beach AA. According to the June 30, 2011 FDIC Summary of Deposit Market Share report, Fulton Bank had garnered a 1.17% deposit market share in its VA Beach AA, ranking it 12<sup>th</sup> among 21 institutions. Among Fulton Bank's major VA Beach AA competitors are Wells Fargo Bank N.A., ranking 1<sup>st</sup> with a 25.27% deposit market share, Suntrust Bank, ranking 2<sup>nd</sup> with a 14.82% deposit market share, Towne Bank, ranking 3<sup>rd</sup> with a 14.67% deposit market share, Branch Banking and Trust Co, ranking 4<sup>th</sup> with a 12.89% deposit market share and Bank of America, ranking 5<sup>th</sup> with a 10.60% deposit market share. Within the Virginia Beach AA, for deposit market share, Bank of the Commonwealth ranked 6<sup>th</sup> with a 4.79% share, Monarch Bank ranked 7<sup>th</sup> a 3.61% share, Bank of Hampton Roads ranked 8<sup>th</sup> with a 3.35% market share and Old Point NB of Phoebus ranked 9<sup>th</sup> with a 3.32 share.

The 2010 market share data for mortgage data indicates that Fulton Bank ranked 17<sup>th</sup> among VA Beach AA mortgage lenders with a 1.76% market share in home purchase lending, 16<sup>th</sup> among AA lenders with a .75% market share in home improvement lending, and 20<sup>th</sup> among

AA lenders with a .92% market share in home refinance lending. Home mortgage loan competitors include national lenders Wells Fargo Bank N.A. and Bank of America N.A. The 2010 market share data for small business data indicates Fulton Bank ranked 13<sup>th</sup> among VA Beach AA business lenders with a market share of 1.04%. Small business loan competitors include national lenders American Express Bank FSB, Wells Fargo Bank N.A., CitiBank (South Dakota), N.A. BB&T FSB CRA, and US Bank North Dakota.

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

Fulton Bank's record of distributing originations of home mortgages among AA geographies of different income levels is good. Fulton Bank's record of distributing originations of small loans to businesses among AA geographies of different income levels is also good.

### **VA Beach AA**

Fulton Bank's record of distributing originations of home mortgages among AA geographies of different income levels is good. Fulton Bank's record of distributing small loans to businesses among AA geographies of different income levels is excellent.

The analysis considered AA home mortgage and business lending opportunities. Home mortgage lenders with the largest home purchase market share included Wells Fargo Funding Inc., Bank of America, N.A., Wells Fargo Bank N.A. and Towne Bank. Of all AA owner-occupied housing, 6,566 owner-occupied AA housing units are located within low-income AA geographies. Of all AA businesses, 2,632 AA businesses are located within low-income AA geographies

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

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

### **Home Purchase Lending**

Fulton Bank's record of originating home purchase loans among VA Beach AA geographies of different income levels is excellent.

Of Fulton Bank's home purchase loan originations, the percentage originated within low-income AA geographies exceeds the percentage of owner-occupied housing units located within those low-income AA geographies. Fulton Bank's market share for home purchase loans originated within low-income AA geographies exceeds its overall home purchase lending AA market share.

Of Fulton Bank's home purchase loan originations, the percentage originated within moderate-income AA geographies exceeds the percentage of owner-occupied housing units located within those geographies. Fulton Bank's market share for home purchase loans originated within moderate-income AA geographies is near to its overall home purchase lending AA market share.

## **Home Improvement Lending**

Fulton Bank's record of originating home improvement loans among VA Beach AA geographies of different income levels is very poor.

Fulton Bank did not originate any home improvement loans within low-income AA geographies. Fulton Bank's market share for home improvement loans originated within low-income AA geographies is zero.

Of Fulton Bank's home improvement loan originations, the percentage originated within moderate-income AA geographies somewhat lower than the percentage of owner-occupied housing units located within those geographies. Fulton Bank's market share for home improvement loans originated within moderate-income AA geographies is significantly lower than its overall home improvement lending AA market share.

## **Home Refinance Lending**

Fulton Bank's record of originating home refinance loans to borrowers among AA geographies of different income levels is adequate.

Of Fulton Bank's home refinance loan originations, the percentage originated within low-income AA of geographies is near to the percentage of owner-occupied housing located within those geographies. Fulton Bank's market share for home refinance loans originated in low-income AA geographies exceeds its overall home refinance lending AA market share.

Of Fulton Bank's home refinance loan originations, the percentage originated within moderate-income AA geographies is significantly lower than the percentage of owner-occupied housing units located within those geographies. Fulton Bank's market share for home refinance loans originated within moderate-income AA geographies is somewhat lower than its overall home refinance lending AA market share.

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

Refer to Table 6 in the state of Virginia section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

Fulton Bank's record of originating small loans to businesses among AA geographies is excellent.

Of Fulton Bank's small loans to AA businesses, the percentage originated within low-income AA geographies is near to the percentage of AA businesses located within those geographies. Fulton Bank's market share for originating small loans to businesses located within low-income AA geographies is significantly lower than its overall market share for originating small loans to AA businesses.

Of Fulton Bank's small loans to AA businesses, the percentage originated within moderate-income AA geographies exceeds the percentage of AA businesses located within those geographies. Fulton Bank's market share for originating small loans to businesses located within moderate-income AA geographies exceeds its overall market share for originating small loans to AA businesses.

### ***Lending Gap Analysis***

A review and analysis of the geographic distribution of Fulton Bank's originations of home mortgages and small loans to businesses among AA geographies did not detect any conspicuous or unexplained gaps in Fulton Bank's lending patterns.

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

This portion of the evaluation was performed at the bank level. Fulton Bank originated a substantial majority of its home mortgages and small loans to businesses within its combined AAs. During the evaluation period, of Fulton Bank's home mortgage and small loans to businesses 87% of the total number and 85% of the total dollar were originated within Fulton Bank's combined AAs. Of total home mortgage loans originated by Fulton Bank, 86% of the number and 83% of the dollar were originated within its combined AAs. By product type, of home mortgages originated by Fulton Bank, 81% and 79% of the number and dollar of home purchase loans, 94% and 91% of the number and dollar of home improvement loans, and 90% and 87% of the number and dollar of home refinance loans were originated within its combined AAs. Also of small loans to businesses originated by Fulton Bank, 95% and 94% of the number and dollar were originated within its combined AAs. Fulton Bank's record of originating home mortgages and small loans to businesses within its combined AAs positively impacted the overall analysis of Fulton Bank's record of distributing home mortgages and small loans to businesses among AA geographies.

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

Fulton Bank's record of distributing originations of home mortgages among AA borrowers of different income levels is good. Fulton Bank's record of distributing originations of small loans to AA businesses of different sizes is poor.

### **VA Beach AA**

Fulton Bank's record of distributing originations of home mortgage loans among AA borrowers of different income levels is good. Fulton Bank's record of distributing originations of small loans among AA businesses of different sizes is poor.

The analysis of Fulton Bank's record of originating home mortgages among AA borrowers of different income levels and small loans among AA businesses of different sizes, considered

home ownership affordability. HUD median family income, updated for 2011, reports that a low-income AA family earns less than \$24,579 and the average median housing value is \$110,116. Additionally, of total AA households, 10% are below the poverty level and are considered to be very low-income.

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

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

### **Home Purchase Lending**

Fulton Bank's record of originating home purchase loans among AA borrowers of different income levels is good.

Of Fulton Bank's home purchase loan originations, the percentage originated to low-income AA borrowers is somewhat lower than the percentage of AA families classified as low-income. Fulton Bank's market share of home purchase loans originated to low-income AA borrowers is near to its overall home purchase AA market share.

Of Fulton Bank's home purchase loan originations, the percentage originated to moderate-income AA borrowers exceeds the percentage of AA families classified as moderate-income. Fulton Bank's market share of home purchase loans originated to moderate-income AA borrowers is near to its overall home purchase AA market share.

### **Home Improvement Lending**

Fulton Bank's record of originating home improvement loans among AA borrowers of different income levels is adequate.

Of Fulton Bank's home improvement loan originations, the percentage originated to low-income AA borrowers is somewhat lower than the percentage of AA families classified as low-income. Fulton Bank's market share of home improvement loans originated to low-income AA borrowers exceeds its overall home improvement AA market share.

Of Fulton Bank's home improvement loan originations, the percentage originated to moderate-income AA borrowers somewhat lower than the percentage of AA families classified as moderate-income. Fulton Bank's market share of home improvement loans originated to moderate-income AA borrowers is significantly lower than its overall home improvement AA market share.

### **Home Refinance Lending**

Fulton Bank's record of originating home refinance loans among AA borrowers of different income levels is poor.



Of Fulton Bank's home refinance loan originations, the percentage originated to low-income AA borrowers is significantly lower than the percentage of AA families classified as low-income. Fulton Bank's market share of home refinance loans originated to low-income AA borrowers is near to its overall home refinance AA market share.

Of Fulton Bank's home refinance loan originations, the percentage originated to moderate-income AA borrowers somewhat lower than the percentage of AA families classified as moderate-income. Fulton Bank's market share of home refinance loans originated to moderate-income AA borrowers is somewhat lower than its overall home refinance AA market share.

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

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

Fulton Bank's record of originating small loans among AA businesses of different sizes is poor.

Of Fulton Bank's business loan originations, the percentage originated to small AA businesses is significantly lower than the percentage of AA businesses defined as small. Small businesses are defined as businesses reporting annual revenues of \$1 million or less. Fulton Bank's market share for small loans originated to AA small businesses exceeds its overall market share for small loans originated to AA businesses.

Among sixty-four business loan originators, Fulton Bank's market share for small loans originated to small AA businesses ranks Fulton Bank 13<sup>th</sup>. Lenders garnering a larger market share of small loans originated to small AA businesses include large national lenders. Of Fulton Bank's small loans to business, approximately 34% were originated for amounts of \$100 thousand or less.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the state of Virginia section of Appendix D 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.

### **VA Beach AA**

CD lending had a neutral impact on the lending test conclusions relative to Fulton Bank's performance in the state of Virginia. Fulton Bank did not report originating any loans during the evaluation period that met the definition of community development and benefitted its VA Beach AA.

## **Product Innovation and Flexibility**

Product innovation and flexibility had a neutral impact on the lending test conclusion relative to Fulton Bank's performance in the state of Virginia. Fulton Bank did not provide any information relative to the origination or the corresponding impact of any innovative or flexible lending products within its VA Beach AA, during the evaluation period.

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

Based on limited-scope reviews, the bank's performance under the lending test in its Northern VA and Richmond AAs is weaker than the banks overall Low Satisfactory performance under the lending test in the state of Virginia. The bank's weaker performance in the Northern VA and Richmond AAs primarily results from its very poor record of distributing home mortgage and business loans among AA geographies. The bank's weaker performance in its Northern VA AA also resulted from its poor record of distributing home purchase loans to low-income AA borrowers and home improvement loans to low and moderate-income AA borrowers. The bank's performance under the lending test in the Northern VA and the Richmond AAs had moderate impact on conclusions under the lending test for Virginia. The bank's performance under the lending test in the Northern VA and the Richmond AAs had minimal impact on the overall conclusions.

Refer to the Tables 1 through 11 in the state of Virginia section of Appendix D 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 in Virginia is rated Needs to Improve. Based on a full-scope review, the bank's performance in the VA Beach AA is poor.

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

### **VA Beach AA**

During the evaluation period, Fulton Bank demonstrated poor responsiveness to VA Beach AA community development needs. Fulton Bank reported funding just one CD qualified donation of \$2,000 to an area food bank which benefitted its VA Beach AA during the evaluation period. Fulton Bank did not report funding any CD qualified investments which benefitted the VA Beach AA as defined by the bank during the evaluation period. Fulton Bank did however report investing \$5.609 million in one low-income housing tax credit project located in the City of Portsmouth, which was outside of the AA the bank defined. In order to comply with regulatory requirements, the AA the bank defined was expanded by examiners to encompass low-and moderate-income geographies the bank had excluded from the AA. The City of Portsmouth was included in the AA redefined to comply with regulatory requirements. As a result, the bank's investment in the low-income housing tax credit is reflected as benefitting the bank's redefined VA Beach AA.

## Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the investment test in the Northern VA and Richmond AAs is not inconsistent with its overall Needs to Improve performance under the investment test in the state of Virginia. Fulton Bank did not fund any qualified CD investments or donations which benefitted its Northern VA or Richmond AAs over the evaluation period reflecting poor responsiveness to AA community needs. The bank's performance under the investment test in the Northern VA and the Richmond AAs had moderate impact on conclusions under the investment test for Virginia. The bank's performance under the investment test in the Northern VA and the Richmond AAs had minimal impact on the overall conclusions.

Refer to Table 14 in the state of Virginia section of Appendix D 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 in Virginia is rated Low Satisfactory. Based on a full-scope review, the bank's performance in the VA Beach AA is adequate.

### Retail Banking Services

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

### VA Beach AA

Fulton Bank's delivery systems are readily accessible to VA Beach AA geographies and individuals of different income levels. Fulton Bank services are also readily accessible to VA Beach AA residents through its branch office and ATM network as well as through its alternative delivery systems. In order to determine the extent of accessibility of Fulton Bank's delivery systems, population demographics, branches and ATM locations were considered.

Fulton Bank operates six of its full service branch offices within the VA Beach AA. Of the six full-service branch offices 0, 2, 1 and 3 are located within VA Beach AA low-moderate-middle- and upper- income geographies respectively. Consequently, as percentage of the full service branch offices 0%, 33.00%, 17.00% and 50.00% are located within VA Beach low-, moderate-, middle-, and upper-income geographies respectively. In comparison, 5.05%, 26.16%, 38.49% and 30.30% of the VA Beach AA Virginia population resides within low-moderate-middle- and upper-income AA geographies respectively.

Fulton Bank does not operate any branch offices within VA Beach AA low-income geographies. In comparison, 5.05% of the total VA Beach AA population resides in low-income AA geographies.

The percentage of branch offices Fulton Bank operates within moderate-income VA Beach AA geographies exceeds the percentage of the AA population residing within those geographies. Of the six branch offices, Fulton Bank operates two representing 33.33% of the total, within moderate-income AA geographies. In comparison, of the total VA Beach AA population, 26.16% resides in moderate-income AA geographies.

Additionally Fulton Bank provides accessibility to its services through an alternative delivery system in the form of its ATM network. Fulton Bank operates four of its full service ATMs within the VA Beach AA. Of the four ATMs, 0, 1, 0 and 3 are located within VA Beach AA low-moderate-middle-and upper-income geographies respectively. Consequently, as percentage of the ATMs 0%, 25.00%, 0% and 75.00% are located within VA Beach AA low-, moderate-, middle-, and upper-income geographies respectively. In comparison, 5.05%, 26.16%, 38.49% and 30.30% of the VA Beach AA population resides within low-, moderate-, middle- and upper-income AA geographies respectively.

Fulton Bank does not operate any ATMs within low-income AA geographies. In comparison, 5.05% of the total VA Beach AA population resides in low-income AA geographies.

The percentage of ATMs Fulton Bank operates within moderate-income VA Beach AA geographies, is near to the percentage of the AA population residing within those geographies. Of the four AA ATMs, Fulton Bank operates one representing 25% of the total, within a moderate-income AA geography. In comparison, of the total VA Beach AA population 26.16% resides in moderate-income AA geographies.

Fulton Bank's record of opening and closing branch offices has not adversely affected the accessibility of its delivery systems, particularly in low-and moderate-income geographies and to low-and moderate-income individuals. Fulton Bank opened two branches during the evaluation period in upper-income VA Beach AA geographies. Fulton Bank did not close any branch offices in the VA Beach AA during the evaluation period.

Fulton Bank services do not vary in a way that inconveniences portions of the VA Beach AA. Specifically, Fulton Bank services do not vary in a way that would inconvenience low-and moderate-income geography AA residents and/or low-and moderate-income AA individuals. No material differences exist between the range of services or operating hours of the branch offices Fulton Bank operates in low-and moderate-income AA geographies compared to the range of services or operating hours of branches located in middle-and upper-income AA geographies.

Fulton Bank offers a variety of checking account products and loan products to serve the needs of its community, including low-and moderate-income VA Beach AA individuals. In particular, Fulton Bank offers a free checking account for which no maintenance fees are assessed.

Additionally, Fulton Bank provides accessibility to its services through alternative delivery systems in the form of internet banking, mobile banking, telephone banking and bank-by-mail. Fulton Bank maintains an internet website that provides accessibility to transaction services such as bill paying, loan paying, account transfers and account activity viewing. Fulton Bank

also maintains 24-hour telephone banking and mobile banking services. Since Fulton Bank did not provide specific information on how low- and moderate-income individuals have benefitted from these services, no weight was placed on these alternative delivery systems for purposes of this evaluation.

### **Community Development Services**

Fulton Bank's record of participating in qualified CD services in the VA Beach AA was very poor. Fulton Bank did not report participating in any qualified CD service activities benefitting its VA Beach AA during the evaluation period reflecting very poor responsiveness to AA community needs.

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

Based on limited-scope reviews, the bank's performance under the service test in the Northern VA and Richmond AAs is weaker than its overall Low Satisfactory performance under the service test in the state of Virginia. The bank's weaker performance in the Northern VA and Richmond AAs results from very poor accessibility to the bank's services by residents of low- and moderate-income AA geographies. The bank does not operate branch offices and ATMs in any low-or moderate-income Northern VA or Richmond AA geographies. Additionally, the bank's record of participating in qualified CD services in the Northern VA and Richmond AAs reflected very poor responsiveness to AA community needs. The bank did not report participating in any qualified CD services benefitting the Northern VA or Richmond AA during the evaluation period. The bank's performance under the service test in the Northern VA and the Richmond AAs had moderate impact on conclusions under the service test for Virginia. The bank's performance under the service test in the Northern VA and the Richmond AAs had minimal impact on the overall conclusions.

Refer to Table 15 in the state of Virginia section of Appendix D for the facts and data that support these conclusions.

## State Rating

### State of Delaware

#### CRA Rating for Delaware<sup>3</sup>: Satisfactory

**The lending test is rated: Low Satisfactory**

**The investment test is rated: Needs to Improve**

**The service test is rated: Low Satisfactory**

The major factors that support this rating include:

- Fulton Bank's lending activity reflects adequate responsiveness to AA credit needs.
- Fulton Bank originated a majority of its home mortgages and small loans to businesses within its combined AAs.
- Fulton Bank's record of distributing its originations of home mortgages among AA borrowers of different income levels reflects poor penetration among AA borrowers. And Fulton Bank's record of distributing its originations of small loans among AA businesses of different sizes reflects good penetration among AA businesses.
- Fulton Bank did not report originating any CD loans during the evaluation period which had a neutral impact on the lending test conclusion.
- Fulton Bank's record of funding qualified CD investments and donations reflects poor responsiveness to AA community credit needs.
- Fulton Bank's service delivery systems are accessible to AA individuals of different income levels.
- Fulton Bank's record of participating in qualified CD services reflects poor responsiveness to AA community needs.

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<sup>3</sup> For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

## Description of Institution's Operations in Delaware

Fulton Bank's operations in the state of Delaware are limited. Fulton Bank operates just eleven branch offices in Delaware. Of Fulton Bank's total branch network, these eleven branches represent approximately 9.4% of all Fulton Bank branches.

Within the state of Delaware, Fulton Bank operates branch offices in one MSA and selected non-MSA geographies. In Delaware, the MSA in which Fulton Bank operates is the Wilmington, Delaware-Maryland, New Jersey-Maryland Multistate MSA. This MSA contains the single Delaware County of New Castle. New Castle County Delaware is the only county within this MSA in which Fulton Bank operates (New Castle AA). The non-MSA Delaware geographies in which Fulton Bank operates are located in Sussex County (Sussex AA). The one MSA county and the non-MSA Sussex geographies comprise Fulton Bank's two Delaware AAs.

Of Fulton Bank's total deposits, less than 6% are derived from within the state of Delaware. The FDIC Summary of Deposit Market Share Report for June 30, 2011 reported that of Delaware deposits, Fulton Bank's market share was less than 1% ranking Fulton Bank 20<sup>th</sup> among 41 institutions taking deposits within the state of Delaware. The greatest percentages of Delaware deposit market share have been garnered by FIA Card Services N.A., ING Bank FSB, TD Bank National Assn, and Discover Bank. During the evaluation period, of all home mortgages and small loans to businesses originated by Fulton Bank, less than 1% and 5% respectively, were originated within the state of Delaware.

Refer to the market profiles for the state of Delaware in Appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

## Scope of Evaluation in Delaware

The state of Delaware rating is based primarily on the area that received a full-scope review. In each state where the bank has an office, at least one AA within the state was selected for a full-scope review. We conducted a full scope review of the Sussex AA.

The Sussex AA was selected for a full-scope review since for Fulton Bank within the state of Delaware the Sussex AA represents a more significant market than the New Castle AA. Specifically, of Fulton Bank's Delaware Branch Offices, the majority operate within the Sussex AA. Similarly, of Fulton Bank's Delaware deposits, the majority are derived from the Sussex AA and of Fulton Bank's Delaware home mortgages and small loans to businesses, the majority are originated within its Sussex AA.

A limited scope review was performed for Fulton Bank's New Castle AA. Fulton Bank's performance within the limited-scope AA had a moderate impact on the bank's overall performance in the state of Delaware and a minimal impact on the bank's overall CRA rating.

## **Community Contact**

Contact was initiated with a non-profit organization involved in providing affordable housing, educational training, and counseling for low- and moderate-income individuals. The contact identified the need to preserve and increase affordable housing within suburban low-and moderate-income communities. The contact also identified the need to better serve consumer credit needs of rural low- and moderate-income communities. The contact advised that a number of local banks were actively involved in responding to the economic development needs of the community by funding various projects and programs. The contact specifically stated that Fulton Bank in particular has not been responsive to the organization's requests for assistance, despite available community development opportunities. The contact advised that relative to community development, Fulton Bank does not have a meaningful presence in the State of Delaware.

## **LENDING TEST**

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

The bank's performance under the lending test in Delaware is rated Low Satisfactory. Based on a full-scope review the bank's performance in the Sussex AA is adequate.

### **Lending Activity**

Refer to Table 1 Lending Volume in the state of Delaware section of Appendix D for the facts and data used to evaluate the bank's lending activity.

Fulton Bank originated an adequate level of home mortgage loans and a good level of small loans to businesses in its Sussex AA. Fulton Bank operates 6 branches and derives approximately 5% of its deposits from its Sussex AA. According to the June 30, 2011 FDIC Summary of Deposit Market Share report, Fulton Bank had garnered a .60% deposit market share in its Sussex AA, ranking it 5<sup>th</sup> among 14 institutions. Among Fulton Bank's major Sussex AA competitors are Discover Bank, ranking 1<sup>st</sup> with a 92.28% deposit market share, Manufacturers & Traders Co, ranking 2<sup>nd</sup> with a 2.46% deposit market share, PNC Bank N.A., ranking 3<sup>rd</sup> with a 1.59% and County Bank, ranking 4<sup>th</sup> with a .74% deposit market share.

The 2010 market share data for mortgage lending indicates Fulton Bank ranked 17<sup>th</sup> among Sussex AA lenders with a 1.34% market share in home purchase lending, 6<sup>th</sup> among AA lenders with a 3.42% market share in home improvement lending, and 18<sup>th</sup> among AA lenders with a 1.18% market share in home refinance lending. Home mortgage loan competitors include national lenders Wells Fargo Bank N.A. and Bank of America N.A. The 2010 market share data for small business data indicates Fulton Bank ranked 8<sup>th</sup> among Sussex AA mortgage lenders with a market share of 4.78%. Small business loan competitors include national lenders American Express Bank FSB, PNC Bank N.A., Chase Bank USA N.A., CitiBank (South Dakota), N.A., Capital One Bank USA, N.A. and Wells Fargo Bank N.A.



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

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

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

### **Sussex AA**

The Sussex AA does not contain any low- or moderate-income geographies, therefore an analysis of Fulton Bank's record of originating home mortgage loans within Sussex AA geographies of different income levels would not have been meaningful and was not performed.

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

Refer to Table 6 in the state of Delaware section of the Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

### **Sussex AA**

The Sussex AA does not contain any low- or moderate-income geographies therefore an analysis of Fulton Bank's record of originating small loans to businesses within Sussex AA geographies of different income levels would not have been meaningful and was not performed.

### ***Lending Gap Analysis***

The Sussex AA does not contain any low- or moderate-income geographies, therefore a review and analysis of the geographic distribution of Fulton Bank's originations of home mortgage and small loans to businesses among AA geographies for the purpose of detecting any conspicuous or unexplained gaps in Fulton Bank's lending patterns would not have been meaningful and was not performed.

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

This portion of the evaluation was performed at the bank level. Fulton Bank originated a substantial majority of its home mortgages and small loans to businesses within its combined AAs, during the evaluation period. Of Fulton Bank's home mortgage and small loans to businesses 87% of the total number and 85% of the total dollar were originated within Fulton Bank's combined AAs. Of total home mortgage loans originated by Fulton Bank, 86% of the number and 83% of the dollar were originated within its combined AAs. By product type, of home mortgages originated by Fulton Bank, 81% and 79% of the number and dollar of home purchase loans, 94% and 91% of the number and dollar of home improvement loans, and 90%

and 87% of the number and dollar of home refinance loans were originated within its combined AAs. Also of small loans to businesses originated by Fulton Bank, 95% and 94% of the number and dollar were originated within its combined AAs. Fulton Bank's record of originating home mortgages and small loans to businesses within its combined AAs positively impacted the overall analysis of Fulton Bank's record of distributing home mortgages and small loans to businesses among AA geographies.

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

Fulton Bank's record of distributing originations of home mortgage loans among AA borrowers of different income levels is poor. And Fulton Bank's record of distributing originations of small loans among AA businesses of different sizes is good.

The analysis of Fulton Bank's record of originating home mortgages among AA borrowers of different income levels and small loans among AA businesses of different sizes, considered home ownership affordability. HUD median family income, updated for 2011, reports that a low-income AA family earns less than \$30,900 and the average median housing value is \$127,483. Additionally, of total AA households, 10% are below the poverty level and are considered to be very low-income.

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

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

## **Sussex AA**

### **Home Purchase Lending**

Fulton Bank's record of originating home purchase loans among AA borrowers of different income levels is poor.

Of Fulton Bank's home purchase loan originations, the percentage originated to low-income AA borrowers is significantly lower than the percentage of AA families classified as low-income. Fulton Bank's market share of home purchase loans originated to low-income AA borrowers exceeds its overall home purchase AA market share.

Of Fulton Bank's home purchase loan originations, the percentage originated to moderate-income AA borrowers is significantly lower than the percentage of AA families classified as moderate-income. Fulton Bank's market share of home purchase loans originated to moderate-income AA borrowers is significantly less than its overall home purchase AA market share.

## **Home Improvement Lending**

Fulton Bank's record of originating home improvement loans among AA borrowers of different income levels is good.

Of Fulton Bank's home improvement loan originations, the percentage originated to low-income AA borrowers is near to the percentage of AA families classified as low-income. Fulton Bank's market share of home improvement loans originated to low-income AA borrowers exceeds its overall home improvement AA market share.

Of Fulton Bank's home improvement loan originations, the percentage originated to moderate-income AA borrowers is near to the percentage of AA families classified as moderate-income. Fulton Bank's market share of home improvement loans originated to moderate-income AA borrowers exceeds its overall home improvement AA market share.

## **Home Refinance Lending**

Fulton Bank's record of originating home refinance loans among AA borrowers of different income levels is poor.

Of Fulton Bank's home refinance loan originations, the percentage originated to low-income AA borrowers is significantly lower than the percentage of AA families classified as low-income. Fulton Bank's market share of home refinance loans originated to low-income AA borrowers is near to its overall home refinance AA market share.

Of Fulton Bank's home refinance loan originations, the percentage originated to moderate-income AA borrowers is somewhat lower than the percentage of AA families classified as moderate-income. Fulton Bank's market share of home refinance loans originated to moderate-income AA borrowers exceeds its overall home refinance AA market share.

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

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

## **Sussex AA**

Fulton Bank's record of originating small loans among AA businesses of different sizes is good. Of Fulton Bank's business loan originations, the percentage originated to small AA businesses is near to the percentage of AA businesses defined as small. Small businesses are defined as businesses reporting annual revenues of \$1 million or less. Fulton Bank's market share of small loans originated to small AA businesses exceeds its overall market share for small loans originated to AA businesses.

Among forty-two Sussex AA business loan originators, Fulton Bank's market share for small loans originated to AA businesses ranks Fulton Bank 8<sup>th</sup>. Lenders garnering a larger market share for small loans originated to AA businesses include large national lenders. Of Fulton Bank's small loans to business, approximately 58% were originated for amounts of \$100 thousand or less.

## Community Development Lending

Refer to Table 1 Lending Volume in the state of Delaware section of Appendix D 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.

### Sussex AA

CD lending had a neutral impact on the lending test conclusions relative to Fulton Bank's performance in the state of Delaware. Fulton Bank did not report originating any loans during the evaluation period that met the definition of community development and benefitted its Sussex AA.

## Product Innovation and Flexibility

Product innovation and flexibility had a neutral impact on the lending test conclusion relative to Fulton Bank's performance in the state of Delaware. Fulton Bank did not provide any information relative to the origination or the corresponding impact of any innovative or flexible lending products within its Sussex AA, during the evaluation period.

## Conclusions for Areas Receiving Limited-Scope Reviews

Based on a limited-scope review, the bank's performance under the lending test in the New Castle AA is weaker than the bank's overall Low Satisfactory performance under the lending test in the state of Delaware. The bank's weaker performance in the New Castle AA results from the bank's poor record of distributing originations of small loans to businesses of different sizes. The bank's performance under the lending test in the New Castle AA had a moderate impact on conclusions under the lending test for the state of Delaware. The bank's performance under the lending test in the New Castle AA had minimal impact on the overall conclusions.

## INVESTMENT TEST

### Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test in the state of Delaware is rated Needs to Improve. Based on a full scope review, the bank's performance in the Sussex AA is poor.

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

### Sussex AA

Fulton Bank demonstrated a poor level of funding qualified investments during the evaluation period reflecting a poor level of responsiveness to Sussex AA community needs. During the current evaluation period, Fulton Bank funded one CD investment in a low-income

housing tax credit project that directly benefitted its Sussex AA. The CD investment totaled \$3.132 million which provided funding to acquire and renovate an existing 37 unit apartment complex to create affordable housing for low- and moderate-income AA individuals and families.

Fulton Bank did not report funding any donations for community development purposes which benefitted its Sussex AA during the evaluation period.

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

Based on a limited-scope review, the bank's performance under the investment test in the New Castle AA is weaker than the bank's overall Needs to Improve performance under the investment test in the state of Delaware. The bank's very poor performance under the investment test in the New Castle AA results from the bank did not report funding any CD investments or donations which benefitted its New Castle AA during the evaluation period, reflecting very poor responsiveness to AA community needs. The bank's performance under the investment test in the New Castle AA had a moderate impact on conclusions under the investment test for the state of Delaware. The bank's performance under the investment test in the New Castle AA had minimal impact on the overall conclusions.

Refer to the Table 14 in the state of Delaware section of Appendix D 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 in Delaware is rated Low Satisfactory. Based on full-scope reviews, the bank's performance in the Sussex AA is adequate.

### **Retail Banking Services**

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

### **Sussex AA**

The Sussex AA does not contain any low- or moderate-income geographies, therefore an analysis of the accessibility of Fulton Bank's delivery systems to residents of AA geographies of different income levels would not have been meaningful and was not performed.

Fulton Bank offers a variety of checking account products and loan products to serve the needs of its community, including low-and moderate-income Sussex AA individuals. In particular, Fulton Bank offers a free checking account for which no maintenance fees are assessed.

Additionally, Fulton Bank provides accessibility to its services through alternative delivery systems in the form of internet banking, mobile banking, telephone banking and bank-by-mail. Fulton Bank maintains an internet website that provides accessibility to transaction services such as bill paying, loan paying, account transfers and account activity viewing. Fulton Bank also maintains 24-hour telephone banking and mobile banking services. Since Fulton Bank did not provide specific information on how low- and moderate-income individuals have benefitted from these services, no weight was placed on these alternative delivery systems for purposes of this evaluation.

## **Community Development Services**

### **Sussex AA**

Fulton Bank representatives participated in a limited number of CD services within its Sussex AA during the evaluation period. Bank management and staff reported involvement with just three qualified community development organizations that benefitted the Sussex AA during the evaluation period. Activities included the provision of financial expertise through direct participation with organizations involved in affordable housing, community stabilization, and health services targeted to low- and moderate-income individuals.

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

Based on a limited-scope review, the bank's performance under the service test in the New Castle AA was stronger than the bank's overall Low Satisfactory performance under the service test in the state of Delaware. The stronger performance is a result of Fulton Bank's record of operating branches and ATMs in moderate-income AA geographies. In the New Castle AA Fulton Bank reported participating in limited CD service activities through involvement with an organization that provides CD qualified services which benefitted this AA over the evaluation period. The bank's performance under the service test in the New Castle AA had a moderate impact on conclusions under the service test for the state of Delaware. The bank's performance under the service test in the New Castle AA had minimal impact on the overall conclusions.

Refer to Table 15 in the state of Delaware section of Appendix D for the facts and data that support these conclusions.

## 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”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD loans): October 1, 2009 TO September 30, 2011 Investment and Service Tests and CD Loans: October 1, 2009 TO January 9, 2012	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Fulton Bank N.A. (Fulton Bank) Lancaster Pennsylvania	Residential mortgage loans, small loans to businesses and CD loans, investments and services	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
NA	NA	NA
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Pennsylvania Lancaster MSA Harrisburg MSA Lebanon MSA Philadelphia MSA Reading MSA Schuylkill non-MSA State College MSA York MSA Virginia MSA Virginia Beach-Norfolk- Newport News Washington-Arlington- Alexandria (Northern Virginia) Richmond MSA Delaware Sussex non-MSA New Castle MSA	Full Scope Limited Scope Limited Scope Limited Scope Limited Scope Limited Scope Limited Scope Limited Scope Full Scope Limited Scope Limited Scope	

## Appendix B: Summary of Multistate Metropolitan Area and State Ratings

RATINGS      Fulton Bank N.A.				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/Multistate Rating
Fulton Bank N.A.	High Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory
Multistate Metropolitan Area or State:				
State of Pennsylvania	High Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory
State of Virginia	Low Satisfactory	Needs to Improve	Low Satisfactory	Satisfactory
State of Delaware	Low Satisfactory	Needs to Improve	Low Satisfactory	Satisfactory

(\*) The lending test is weighted more heavily than the investment and service tests in the overall rating.



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

### State of Pennsylvania

#### Lancaster MSA 29540 (Lancaster AA)

Demographic Information for Full-Scope Area: Lancaster PA MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	94	5.32	11.70	75.53	7.45	0.00
Population by Geography	470,658	3.13	8.69	79.02	9.15	0.00
Owner-Occupied Housing by Geography	122,264	1.17	6.39	81.91	10.53	0.00
Businesses by Geography	30,119	3.50	7.32	77.74	11.44	0.00
Farms by Geography	2,007	0.40	2.79	93.27	3.54	0.00
Family Distribution by Income Level	124,865	15.76	19.70	26.55	37.99	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	44,280	5.42	12.53	76.18	5.86	0.00
Median Family Income HUD Adjusted Median Family Income for 2010 Households Below the Poverty Level	= \$52,443 = \$68,600 = 7.0%	Median Housing Value Unemployment Rate		= \$117,029 = 7.0% (as of 11/30/2011)		

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 U.S. Census, and 2010 HUD updated MFI.

The Lancaster MSA AA (Lancaster AA) consists of Lancaster County, Pennsylvania in its entirety. Lancaster County is situated in south-central Pennsylvania. The Lancaster AA meets regulatory requirements and does not arbitrarily exclude low- or moderate-income geographies.

The Lancaster AA consists of 94 geographies. Of the 94 geographies by number, 5, 11, 71 and 7 are classified as low-, moderate-, middle- and upper-income respectively. Consequently, as a percentage of Fulton Bank's Lancaster AA geographies, 5%, 12%, 76% and 7% are located within low-, moderate-, middle- and upper-income AA geographies respectively. Within its Lancaster AA, Fulton Bank operates 29 branches and 30 ATMs. Of Fulton Bank's 29 Lancaster AA branches, 86% and 80% of the branches and ATMs are located in low- and moderate-income geographies.

As of June 30, 2011, of Fulton Bank's total deposits, 34.7% are garnered from within the Lancaster AA. Also as of June 30, 2011, for Lancaster County deposit market share, Fulton Bank ranked first of 18 deposit taking institutions with a market share of 23.47%. Major Lancaster MSA AA competitors include Susquehanna Bank, PNC Bank N.A., Wells Fargo Bank N.A., and Ephrata National Bank. Of loans originated by Fulton Bank over the evaluation period, 12.7% were originated within the Lancaster AA.

The 2000 U.S. Census, for Lancaster County reports a total population of 470,658. Business demographic information for 2011 reports that 33,293 businesses operate within the Lancaster AA of which 1,745 (5.24%) are farms. Of these businesses approximately 62% reported revenues of less than \$500,000 and approximately 69% reported fewer than 10 employees. As of November 30, 2011, the Lancaster County unemployment rate was reported as 7.0%, which compares favorably with the Pennsylvania unemployment rate of 7.9% and the national unemployment rate of 8.7%.

Major Lancaster AA employers include: Lancaster General Hospital (health care), Mutual Assistance Group (health care), R R Donnelley & Sons (manufacturing), Manheim Remarketing (vehicle remarketing), Ephrata Community Hospital (health care), Turkey Hill LP/Dairy (frozen dairy products), Armstrong World Industries (manufacturing plant and corporate headquarters for floor and ceiling products), and Dart Container Corporation (manufacturing). Lancaster County employment is also derived from local colleges, school districts and county-state governments. Major Lancaster AA employment sectors include: education and health services, retail trade, manufacturing, government, tourism, and agriculture. Tourism also represents a significant Lancaster AA industry as does farming which is responsible for nearly 20% of Pennsylvania's agricultural production.

Contact was initiated with a non-profit organization involved with providing an array of programs and services intended to improve community business opportunities. The contact confirmed for the Lancaster AA, that economic decline and restricted lending standards has resulted in growing economic development needs including affordable housing and consumer lending. The contact also credited area banks for responsiveness to community economic development needs. The contact specifically mentioned Fulton Bank's positive engagement in economic development, philanthropy, and business financing in the City of Lancaster.

## State of Virginia

### Virginia Beach-Norfolk-Newport News MSA 47260 (VA Beach AA)

Demographic Information for Full-Scope Area: Virginia Beach MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	319	7.84	29.47	34.48	27.59	0.63
Population by Geography	1,342,293	5.05	26.16	38.49	30.30	0.01
Owner-Occupied Housing by Geography	298,460	2.20	17.46	40.64	39.71	0.00
Businesses by Geography	84,893	3.10	23.20	37.11	36.28	0.32
Farms by Geography	1,556	1.74	17.16	35.99	45.12	0.00
Family Distribution by Income Level	343,156	19.59	19.11	23.16	38.14	0.00
Distribution of Low- and Moderate- Income Families throughout AA Geographies	132,794	9.67	36.48	38.20	15.66	0.00
Median Family Income HUD Adjusted Median Family Income for 2010 Households Below the Poverty Level	= \$49,157 = \$69,900 = 10.0%	Median Housing Value Unemployment Rate		= \$110,116 = 6.7% (as of 11/30/2011)		

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

Source: 2000 U.S. Census, and 2010 HUD updated MFI.

The Virginia Beach-Norfolk-Newport News MSA AA ("VA Beach AA") consists of York County in its entirety and the cities of Chesapeake, Hampton, Newport News, Virginia Beach, Norfolk, and Portsmouth. The VA Beach AA is situated in southeastern Virginia. The VA Beach MSA AA meets regulatory requirements and does not arbitrarily exclude any low- or moderate-income geographies.

The VA Beach MSA AA consists of 317 geographies. Of the 317 geographies by number, 25, 94, 110 and 88 are classified as low-, moderate-, middle- and upper-income respectively. Consequently, as a percentage of Fulton Bank's VA Beach AA geographies, 8%, 30%, 35%, and 28% are low-, moderate-, middle- and upper-income respectively. Of Fulton Bank's branch office and ATM network, 5.0% and 3.6% of branches and ATMs respectively operate within its VA Beach AA. Specifically, within its VA Beach AA, Fulton Bank operates six branch offices and four ATMs.

As of June 30, 2011, of VA Beach AA total deposits, 3.3% are garnered within the VA Beach AA. Also as of June 30, 2011, for the VA Beach AA, Fulton Bank ranked 12<sup>th</sup> of 21 deposit taking financial institutions with a market share 1.17%. Major VA Beach AA competitors include: Wells Fargo Bank, Suntrust Bank, Towne Bank, Branch Banking & Trust, and Bank of America. Of loans originated by Fulton Bank over the evaluation period, 4.6% were originated within the VA Beach AA.

The 2000 U.S. Census, for the VA Beach AA reports a total population of 1,342,293. Business demographic information for 2011 reports that 126,975 businesses operate within the VA Beach AA of which 2,120 (1.67%) are farms. Of these businesses approximately 68% reported having revenues of less than \$500,000 and fewer than 10 employees. The unemployment rate in the VA Beach AA, as of November 30, 2011 was 6.7%, which compares favorably to the Virginia unemployment rate of 6.2% and the national unemployment rate of 8.7%.

The VA Beach AA coincides with the area commonly known as Hampton Roads which contains a harbor. The harbor which has beaches and remains ice-free contributes to the area's economic stability. In addition to hundreds of miles of water-front property and beaches, the area houses the largest worldwide, metropolitan area, concentration of military bases and facilities including: U.S. Navy, Coast Guard, Air Force, NASA, Marine Corps, Army facilities, shipyards and coal piers. Of all U.S. active-duty military personnel, nearly 25% are stationed in the Hampton Roads area. Major area employers include: U.S. Department of Defense (government) Northrop Grumman Shipbuilding (manufacturing) Sentara Healthcare (health care), Norfolk Naval Shipyard (government), Wal Mart (retail), Riverside Health System (health care), NASA Langley Research Center (government), and Canon Virginia, Inc. (manufacturing). Significant VA Beach AA employment is also derived from local colleges, school districts and county-state governments. Major employment sectors are government, retail trade, health care, accommodation and food service, and education.

Contact was initiated with a local non-profit organization charged with diversifying and expanding community employment opportunities. The organization assists new businesses and existing industries by offering programs and instruction in an effort to maximize economic business potential. The contact characterized the area as prosperous with favorable unemployment and poverty rates. Nevertheless, the contact cited ample opportunities for providing credit for affordable housing and small businesses as well as supporting an ongoing need for community development. The contact advised that although financial institutions are generally providing sufficient lending platforms to minority and women-owned businesses that efforts could nonetheless improve. The contact specifically mentioned that Fulton Bank is not considered to be a major factor relative to economic development. The contact also specifically mentioned that Fulton Bank has not had a significant impact on small business lending within the market area.

## State of Delaware

### Sussex non-MSA (Sussex AA)

Demographic Information for Full-Scope Area: Sussex non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	36	0.00	0.00	91.67	8.33	0.00
Population by Geography	156,638	0.00	0.00	92.26	7.74	0.00
Owner-Occupied Housing by Geography	50,505	0.00	0.00	90.18	9.82	0.00
Businesses by Geography	13,138	0.00	0.00	83.85	16.15	0.00
Farms by Geography	611	0.00	0.00	96.40	3.60	0.00
Family Distribution by Income Level	44,090	18.14	19.53	23.99	38.34	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	16,611	0.00	0.00	95.53	4.47	0.00
Median Family Income HUD Adjusted Median Family Income for 2010 Households Below the Poverty Level	= \$45,190 = \$61,800 = 10.0%	Median Housing Value Unemployment Rate		= \$127,483 = 6.9%	(as of 11/30/2011)	

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

Source: 2000 U.S. Census, and 2010 HUD updated MFI.

The Delaware non-MSA AA ("Sussex AA") consists of selected geographies within Sussex County, Delaware. The Sussex AA is located in southern Delaware within the tri-state area known as the Delmarva Peninsula. This assessment area meets regulatory requirements and does not arbitrarily exclude any low- or moderate-income geographies.

The Sussex AA consists of 36 geographies. Of the 36 geographies by number, 33 and 3 are classified as middle- and upper-income respectively. Consequently, as a percentage of Fulton Bank's Sussex AA geographies, 92%, and 8% are middle- and upper-income respectively. Of Fulton Bank's branch office and ATM network, 5% of both branches and ATMs operate within its Sussex AA. Specifically, within its Sussex AA, Fulton Bank operates six branch offices and six ATMs. Of Fulton Bank's 6 Sussex AA branches and ATMs, 100% are located within middle- income geographies.

As of June 30, 2011, of Fulton Bank's total deposits, 3.67% were garnered from within the Sussex AA. Also as of June 30, 2011 for the Sussex AA, Fulton Bank ranked 5<sup>th</sup> of 14 deposit taking financial institutions with a market share 0.6%. Major Sussex AA competitors include: Discover Bank, Manufacturers & Traders Trust Company, and PNC Bank N.A. Of loans originated by Fulton Bank over the evaluation period, 1% were originated within the Sussex AA.

The 2000 U.S. Census, for the Sussex AA reports a total population of 156,638. Business demographic information for 2011 reports that 20,365 businesses operate within the Sussex

AA of which 900 (4.42%) are farms. Of these businesses approximately 66% reported revenues of less than \$500,000 and approximately 71% reported fewer than 10 employees. The unemployment rate in the Sussex AA, as of November 30, 2011 was 6.9%, slightly above the Delaware unemployment rate of 7.6% but favorable compared to the national unemployment rate of 8.7%.

The Sussex AA benefits economically from the lower business costs, foreclosure rates and general lack of sales and property taxes in Delaware. Major Sussex AA employers include: Beebe Medical Center (health care), Bayhealth Medical Center (health care), PATS Aircraft (manufacturing), Merck Animal Health (manufacturing), Mountaire Farms and Perdue, Inc. (agriculture/food processing). Sussex employment is also derived from educational services and local governments. Major Sussex AA employment sectors include: manufacturing, retail trade, leisure and hospitality, education and health services, and agriculture. Tourism represents the fourth largest Sussex AA employer and a significant Sussex AA industry with a significant number of towns situated along 25 miles of Atlantic coastline, beaches. Poultry production also represents a significant Sussex AA industry as Sussex County is first in national poultry production.

Contact was initiated with a non-profit organization involved in providing affordable housing, educational training, and counseling for low- and moderate-income individuals. The contact identified the need to preserve and increase affordable housing within suburban low-and moderate-income communities. The contact also identified the need to better serve consumer credit needs of rural low- and moderate-income communities. The contact advised that a number of local banks were actively involved in responding to the economic development needs of the community by funding various projects and programs. The contact specifically stated that Fulton Bank in particular has not been responsive to the organization's requests for assistance, despite available community development opportunities. The contact advised that relative to community development, Fulton Bank does not have a meaningful presence in the state of Delaware.

## Appendix D: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of 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. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE. [Note: Do not renumber the tables.]

The following is a listing and brief description of the tables included in each set:

- 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, if applicable, over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the

bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

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



table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

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

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

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

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

## Tables of Performance Data

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Table 1. Lending Volume

LENDING VOLUME		Geography: STATE OF PENNSYLVANIA						Evaluation Period: OCTOBER 1, 2009 TO SEPTEMBER 30, 2011				
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Lancaster AA	35.99	2,722	444,247	608	111,093	319	41,198	0	0	3,649	596,538	39.41
<b>Limited Review:</b>												
Harrisburg AA	11.42	946	170,246	183	42,031	29	4,327	0	0	1,158	216,604	12.10
Lebanon AA	10.90	754	112,038	202	28,609	149	16,659	0	0	1,105	157,306	11.50
Philadelphia AA	9.63	660	160,259	261	74,172	55	7,627	0	0	976	242,058	14.47
Reading AA	16.07	1,226	191,634	243	55,607	160	20,906	0	0	1,629	268,147	7.85
Schuylkill AA	1.69	130	15,005	24	2,837	17	1,503	0	0	171	19,345	.78
State College AA	1.59	106	20,411	54	7,771	1	25	0	0	161	28,207	1.53
York AA	12.71	1,055	176,746	197	37,472	37	5,933	1	1,650	1,289	220,151	12.71

\* Loan Data as of September 30, 2011. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is September 01, 2009 to January 9, 2012.

\*\*\* Deposit Data as of June 30, 2011. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: STATE OF PENNSYLVANIA						Evaluation Period: OCTOBER 1, 2009 TO SEPTEMBER 30, 2011							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Lancaster AA	1,094	30.89	1.17	1.19	6.39	6.76	81.91	80.07	10.53	11.97	8.06	12.16	6.39	8.21	7.83
<b>Limited Review:</b>															
Harrisburg AA	522	14.74	1.72	0.38	13.78	9.00	59.10	54.41	25.41	36.21	3.57	3.64	2.61	3.49	4.12
Lebanon AA	323	9.12	0.00	0.00	11.94	12.07	69.36	66.25	18.70	21.67	10.00	0.00	11.76	10.15	8.74
Philadelphia AA	270	7.62	8.68	1.48	18.44	7.78	33.17	35.93	39.71	54.81	0.28	0.09	0.18	0.31	0.32
Reading AA	726	20.50	3.01	1.93	10.08	9.09	70.43	69.01	16.49	19.97	7.73	7.69	9.01	7.66	7.37
Schuylkill AA	74	2.09	0.00	0.00	0.00	0.00	79.14	87.84	20.86	12.16	8.40	0.00	0.00	9.70	4.26
State College AA	45	1.27	0.20	2.22	8.92	6.67	48.36	33.33	42.52	57.78	1.32	0.00	1.30	0.95	1.69
York AA	488	13.78	1.50	1.02	5.60	3.07	84.99	83.81	7.91	12.09	3.64	3.66	2.19	3.53	5.52

\* Based on 2010 Peer Mortgage Data: (USP R).

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

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























Table 1. Lending Volume

LENDING VOLUME		Geography: STATE OF VIRGINIA						Evaluation Period: OCTOBER 1, 2009 TO SEPTEMBER 30, 2011				
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>												
VA Beach AA	63.33	1,239	280,695	153	38,258	0	0	0	0	1,392	318,953	55.46
<b>Limited Review:</b>												
Northern VA AA	3.28	58	32,083	14	4,804	0	0	0	0	72	36,887	25.81
Richmond AA	33.39	722	173,968	12	4,018	0	0	0	0	734	177,986	18.73

\* Loan Data as of September 20, 2011. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is September 01, 2009 to January 09, 2012.

\*\*\* Deposit Data as of June 30, 2011. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: STATE OF VIRGINIA						Evaluation Period: OCTOBER 1, 2009 TO SEPTEMBER 30, 2011							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
VA Beach AA	710	60.27	2.20	2.54	17.46	17.89	40.64	40.56	39.71	39.01	1.76	2.09	1.67	1.80	1.73
<b>Limited Review:</b>															
Northern VA AA	22	1.87	0.17	0.00	7.15	0.00	38.01	27.27	54.66	72.73	0.03	0.00	0.00	0.03	0.05
Richmond AA	446	37.86	2.84	1.57	12.34	9.64	43.58	41.26	41.24	47.53	1.64	0.92	1.08	1.66	1.78

\* Based on 2010 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 housing units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.



Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: STATE OF VIRGINIA				Evaluation Period: OCTOBER 1, 2009 TO SEPTEMBER 30, 2011					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total*	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
VA Beach AA	52	67.53	2.20	0.00	17.46	11.54	40.64	32.69	39.71	55.77	0.75	0.00	0.42	0.70	0.94	
<b>Limited Review:</b>																
Northern VA AA	1	1.30	0.17	0.00	7.15	0.00	38.01	0.00	54.66	100.00	0.00	0.00	0.00	0.00	0.00	
Richmond VA AA	24	31.17	2.84	0.00	12.34	4.17	43.58	33.33	41.24	62.50	1.11	0.00	0.00	0.22	2.19	

\* Based on 2010 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 housing units in a particular geography divided by number of owner occupied housing units in the area based on 2000 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: STATE OF VIRGINIA Evaluation Period: OCTOBER 1, 2009 TO SEPTEMBER 30, 2011													
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
VA Beach AA	477	62.52	2.20	1.89	17.46	10.48	40.64	32.29	39.71	55.35	0.92	1.39	0.75	0.80	1.04
<b>Limited Review:</b>															
Northern VA AA	34	4.46	0.17	0.00	7.15	2.94	38.01	17.65	54.66	79.41	0.03	0.00	0.03	0.02	0.04
Richmond VA AA	252	33.03	2.84	2.38	12.34	6.35	43.58	31.35	41.24	59.92	0.61	1.55	0.68	0.52	0.63

\* Based on 2010 Peer Mortgage Data: (USPR).

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

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

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: STATE OF VIRGINIA						Evaluation Period: OCTOBER 1, 2009 TO SEPTEMBER 30, 2011						
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
VA Beach AA	150	85.23	3.10	2.67	23.20	22.67	37.11	38.67	36.28	36.00	1.04	0.29	1.34	1.05	0.90
<b>Limited Review:</b>															
Northern VA AA	14	7.95	0.41	0.00	7.85	0.00	38.27	28.57	53.46	71.43	0.05	0.00	0.00	0.06	0.05
Richmond VA AA	12	6.82	8.66	0.00	13.28	8.33	39.24	25.00	38.82	66.67	0.14	0.15	0.00	0.10	0.21

\* Based on 2010 Peer Small Business Data: US.

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

\*\*\* Source Data - Dun and Bradstreet (2010).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: STATE OF VIRGINIA					Evaluation Period: OCTOBER 1, 2009 TO SEPTEMBER 30, 2011					Market Share				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers							
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Over all	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
VA Beach AA	710	60.27	19.59	7.11	19.11	31.72	23.16	25.46	38.14	35.70	2.00	1.37	1.91	1.93	2.29	
<b>Limited Review:</b>																
Northern VA AA	22	1.87	13.98	0.00	15.12	13.64	21.62	22.73	49.29	63.64	0.04	0.00	0.03	0.02	0.06	
Richmond VA AA	446	37.86	18.09	9.73	17.10	26.02	22.57	23.08	42.24	41.18	1.82	1.36	1.58	1.60	2.42	

\* Based on 2010 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 0.9% of loans originated and purchased by Bank.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT			Geography: STATE OF VIRGINIA				Evaluation Period: OCTOBER 1, 2009 TO SEPTEMBER 30, 2011					Market Share				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK****	% Families***	% BANK****	% Families***	% BANK****	% Families***	% BANK****						
<b>Full Review:</b>																
VA Beach AA	52	67.53	19.59	8.00	19.11	16.00	23.16	24.00	38.14	52.00	0.80	1.00	0.32	0.69	1.11	
<b>Limited Review:</b>																
Northern VA AA	1	1.30	13.98	0.00	15.12	0.00	21.62	0.00	49.29	100.00	0.00	0.00	0.00	0.00	0.00	
Richmond VA AA	24	31.17	18.09	4.17	17.10	20.83	22.57	12.50	42.24	62.50	1.18	0.78	1.52	0.39	1.65	

\* Based on 2010 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 2.6% of loans originated and purchased by Bank.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: STATE OF VIRGINIA						Evaluation Period: OCTOBER 1, 2009 TO SEPTEMBER 30, 2011							
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families***	% BANK****	% Families***	% BANK****	% Families***	% BANK****	% Families***	% BANK****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
VA Beach AA	477	62.52	19.59	4.57	19.11	12.94	23.16	25.63	38.14	56.85	1.06	0.68	0.70	1.09	1.21
<b>Limited Review:</b>															
Northern VA AA	34	4.46	13.98	0.00	15.12	9.68	21.62	9.68	49.29	80.65	0.04	0.00	0.01	0.02	0.05
Richmond AA	252	33.03	18.09	4.53	17.10	13.58	22.57	17.28	42.24	64.61	0.72	0.32	0.56	0.49	0.95

\* Based on 2010 Peer Mortgage Data: (USPR)..

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 12.5% of loans originated and purchased by Bank.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES				Geography: STATE OF VIRGINIA		Evaluation Period: OCTOBER 1, 2009 TO SEPTEMBER 30, 2011			
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
VA Beach AA	153	85.47	76.43	52.94	33.99	32.68	33.33	1.04	1.61
<b>Limited Review:</b>									
Northern VA AA	14	7.82	79.04	85.71	14.29	14.29	71.43	0.05	0.14
Richmond AA	12	6.70	76.99	58.33	8.33	41.67	50.00	0.14	0.23

\* Based on 2010 Peer Small Business Data: US.

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B – 2010).

\*\*\*\* 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 1.68% of small loans to businesses originated and purchased by the Bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: STATE OF VIRGINIA				Evaluation Period: OCTOBER 1, 2009 TO SEPTEMBER 30, 2011			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
VA Beach AA	0	0.00	2	5.611	2	5.611	100.00	0	0.00
<b>Limited Review:</b>									
Northern VA AA	0	0.00	0	0.00	0	0.00	0.00	0	0.00
Richmond AA	0	0.00	0	0.00	0	0.00	0.00	0	0.00

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

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



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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: STATE OF VIRGINIA																	
Evaluation Period: OCTOBER 1, 2009 TO SEPTEMBER 30, 2011																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
VA Beach AA	3.34	6	5.128	0.00	33.33	16.66	50.0	2	0	0	0	0	+2	5.05	26.16	38.49	30.30
<b>Limited Review:</b>																	
Northern VA AA	1.55	2	1.70	0.00	0.00	50.00	50.00	0	0	0	0	0	0	1.03	12.46	40.05	46.47
Richmond AA	1.13	2	1.70	0.00	0.00	0.00	100.00	1	1	0	0	0	0	6.34	17.61	40.88	35.17

Distribution of Branch and ATM Delivery System

Distribution of Branch and ATM Delivery System		Geography: STATE OF VIRGINIA						Evaluation Period: OCTOBER 1, 2009 TO SEPTEMBER 30, 2011									
MA/Assessment Area:	Deposits	Branches						ATMs						Population			
	% of Total Bank Deposits	# of Bank Branches	% of Total Bank Branches	Location of Branches by Income of Geographies (%)				# of Bank ATMs	% of Total Bank ATMs	Location of ATMs by Income of Geographies				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
VA Beach AA	3.34	6	5.12	0	33.33	16.66	50.00	4	3.60	0	25.00	0	75.00	5.05	26.16	38.49	30.30
<b>Limited Review:</b>																	
Northern VA AA	1.55	2	1.70	0	0	50.00	50.00	2	1.80	0	0	50.00	50.00	1.03	12.46	40.05	46.47
Richmond AA	1.13	2	1.70	0	0	0	100.00	2	1.80	0	0	0	100.0	6.34	17.61	40.88	35.17

Table 1. Lending Volume

LENDING VOLUME		Geography: STATE OF DELAWARE						Evaluation Period: OCTOBER 1, 2009 TO SEPTEMBER 30, 2011				
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>												
Sussex AA	62.53	212	55,529	72	11,546	3	253	0	0	287	67,328	61.38
<b>Limited Review:</b>												
New Castle AA	37.47	122	34,559	50	10,277	0	0	1	1,400	172	44,836	38.62

\* Loan Data as of September 30, 2011. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is September 1, 2009 to January 9, 2012.

\*\*\* Deposit Data as of June 30, 2011. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: STATE OF DELAWARE						Evaluation Period: OCTOBER 1, 2009 TO SEPTEMBER 30, 2011							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Sussex AA	85	71.43	0.00	0.00	0.00	0.00	90.18	74.12	9.82	25.88	1.34	0.00	0.00	1.01	2.92
<b>Limited Review:</b>															
New Castle AA	34	28.57	1.53	0.00	14.54	5.88	51.24	50.00	32.69	44.12	0.25	0.00	0.15	0.23	0.37

\* Based on 2010 Peer Mortgage Data: 2010 (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 housing units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: STATE OF DELAWARE				Evaluation Period: OCTOBER 1, 2009 TO SEPTEMBER 30, 2011					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total*	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
Sussex AA	18	66.67	0.00	0.00	0.00	0.00	90.18	88.89	9.82	11.11	3.42	0.00	0.00	3.86	0.00	
<b>Limited Review:</b>																
New Castle AA	9	33.33	1.53	0.00	14.54	22.22	51.24	22.22	32.69	55.56	0.50	0.00	0.00	0.49	0.71	

\* Based on 2010 Peer Mortgage Data: (USP R).

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

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

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: STATE OF DELAWARE						Evaluation Period: OCTOBER 1, 2009 TO SEPTEMBER 30, 2011							
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Sussex DE AA	109	59.89	0.00	0.00	0.00	0.00	90.18	82.57	9.82	17.43	1.18	0.00	0.00	1.30	0.78
<b>Limited Review:</b>															
New Castle DE AA	73	40.11	1.53	0.00	14.54	5.48	51.24	32.88	32.69	61.64	0.34	0.00	0.15	0.24	0.47

\* Based on 2010 Peer Mortgage Data: (USPR).

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

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

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES			Geography: STATE OF DELAWARE						Evaluation Period: OCTOBER 1, 2009 TO SEPTEMBER 30, 2011						
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total*	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Sussex AA	72	59.02	0.00	0.00	0.00	0.00	83.85	90.28	16.15	9.72	4.78	0.00	0.00	5.06	4.65
<b>Limited Review:</b>															
New Castle AA	50	40.98	12.71	2.00	14.16	28.00	44.36	48.00	28.68	22.00	1.06	0.41	1.29	1.13	1.11

\* Based on 2010 Peer Small Business Data: US.

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

\*\*\* Source Data - Dun and Bradstreet 2010).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: STATE OF DELAWARE					Evaluation Period: OCTOBER 1, 2009 TO SEPTEMBER 30, 2011					Market Share				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers							
	#	% of Total**	% Families***	% BANK****	% Families***	% BANK****	% Families***	% BANK****	% Families***	% BANK****	Over all	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Sussex AA	85	71.43	18.14	4.94	19.53	6.17	23.99	12.35	38.34	76.54	1.40	3.48	0.42	1.02	1.60	
<b>Limited Review:</b>																
New Castle AA	34	28.57	18.53	5.88	17.33	17.65	23.55	20.59	40.59	55.88	0.28	0.15	0.09	0.19	0.72	

\* Based on 2010 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 3.4% of loans originated and purchased by Bank.



Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: STATE OF DELAWARE						Evaluation Period: OCTOBER 1, 2009 TO SEPTEMBER 30, 2011							
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families***	% BANK****	% Families***	% BANK****	% Families***	% BANK****	% Families***	% BANK****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Sussex AA	18	66.67	18.14	11.11	19.53	16.67	23.99	38.89	38.34	33.33	3.58	6.06	4.00	6.15	1.53
<b>Limited Review:</b>															
New Castle AA	9	33.33	18.53	22.22	17.33	11.11	23.55	0.00	40.59	66.67	0.52	1.60	0.00	0.00	0.75

\* Based on 2010 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 0.0% of loans originated and purchased by Bank.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: STATE OF DELAWARE				Evaluation Period: OCTOBER 1, 2009 TO SEPTEMBER 30, 2011					Market Share				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****	% Families ***	% BANK Loans ****						
<b>Full Review:</b>																
Sussex AA	109	59.89	18.14	3.77	19.53	14.15	23.99	18.87	38.34	63.21	1.31	1.20	1.73	1.02	1.33	
<b>Limited Review:</b>																
New Castle AA	73	40.11	18.53	1.43	17.33	24.29	23.55	17.14	40.59	57.14	0.40	0.00	0.41	0.25	0.56	

\* Based on 2010 Peer Mortgage Data: (USPR).

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

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

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 3.3% of loans originated and purchased by Bank.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: STATE OF DELAWARE			Evaluation Period: OCTOBER 1, 2009 TO SEPTEMBER 30, 2011				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 Million or Less
<b>Full Review:</b>									
Sussex AA	72	59.02	78.01	72.22	58.33	23.61	18.06	4.78	7.85
<b>Limited Review:</b>									
New Castle AA	40.98	74.33	76.00	46.00	24.00	30.00	1.06	2.08	50

\* Based on 2010 Peer Small Business Data: US.

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2010).

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

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: STATE OF DELAWARE				Evaluation Period: OCTOBER 1, 2009 TO SEPTEMBER 30, 2011			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Sussex AA	0	0.00	1	3,132.242	1	3,132.242	100.00	0	0.00
<b>Limited Review:</b>									
New Castle AA	0	0.00	0	0.00	0	0.00	0	0	0.00

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS				Geography: STATE OF DELAWARE				Evaluation Period: SEPTEMBER 30, 2009 TO SEPTEMBER 30, 2011									
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Sussex AA	3.59	6	5.12	0.00	0.00	100.00	0.00	0	1	0	0	-1	0	0.00	0.00	92.26	7.74
<b>Limited Review:</b>																	
New Castle AA	2.26	5	4.27	0.00	20.00	40.00	40.00	0	0	0	0	0	0	4.17	17.63	50.63	27.58

Distribution of Branch and ATM Delivery System

Distribution of Branch and ATM Delivery System																	Geography: STATE OF DELAWARE				Evaluation Period: OCTOBER 30, 2009 TO SEPTEMBER 30, 2011			
MA/Assessment Area:	Deposits	Branches						ATMs						Population										
	% of Total Bank Deposits	# of Bank Branches	% of Total Bank Branches	Location of Branches by Income of Geographies (%)				# of Bank ATMs	% of Total Bank ATMs	Location of ATMs by Income of Geographies				% of Population within Each Geography										
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp							
<b>Full Review:</b>																								
Sussex AA	3.59	6	5.12	0	0	100.00	0	6	5.40	0	0	100.00	0	0.00	0.00	92.26	7.74							
<b>Limited Review:</b>																								
New Castle AA	2.26	5	4.27	0	20.00	40.00	40.00	5	4.50	0	20.00	40.00	40.00	4.17	17.63	50.63	27.58							