

PUBLIC DISCLOSURE

OCTOBER 29, 2001

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**PEAPACK-GLADSTONE BANK
RSSD No. 236706
158 U.S. Highway 206 North
Gladstone, New Jersey 07934**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION'S

INSTITUTION'S CRA RATING: Peapack-Gladstone Bank is rated "SATISFACTORY."

The following table indicates the performance levels of the bank with respect to the lending, investment and service tests.

PERFORMANCE LEVELS	PEAPACK-GLADSTONE BANK		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

The major factors supporting the institution's rating follow:

- The total number of home purchase, refinance, small business and consumer loans originated by the bank showed good responsiveness to the credit needs in the bank's assessment area, based on the bank's size, market presence and financial capacity.
- The distribution of loans among borrowers of different income levels and businesses of different sizes was good.
- The bank demonstrated a good level of responsiveness under the investment test for an institution with few opportunities for such investments during the examination period.
- Service delivery systems are readily accessible to the bank's assessment area.

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

INSTITUTION

DESCRIPTION OF INSTITUTION

Peapack-Gladstone Bank ("Peapack") is a full-service commercial bank headquartered in Gladstone, New Jersey. It is the principal subsidiary of Peapack-Gladstone Financial Corporation, a bank holding company based in New Jersey. The bank has two wholly owned subsidiaries, Peapack-Gladstone Mortgage Group, Inc., a real estate investment trust, and PGB Trust and Investments, the financial services division specializing in trust, estate planning and asset management services.

Peapack reported \$602 million in assets as of March 31, 2001. Net loans and leases as of March 31, 2001, amounted to \$353 million or 59 percent of the bank's assets. The bank's deposits totaled \$546 million.

The bank has one assessment area, which includes portions of Somerset and Hunterdon Counties (PMSA 5015, Middlesex-Somerset-Hunterdon, NJ) and contiguous parts of Morris, Union and Essex Counties (PMSA 5640, Newark, NJ). Both PMSAs are part of CMSA 5602 (New York-Northern New Jersey-Long Island, NY-NJ-CT-PA). During the examination period, Peapack acquired Chatham Savings Bank in Morris County with two branches and opened offices in New Vernon (Morris County) and Hillsborough (Somerset County). These additions to Peapack's branch system since the previous examination bring the bank's total number of branches to 15. The transactions also extended the bank's assessment area further into Somerset and Morris Counties and added portions of Union and Essex Counties.

Peapack's assessment area is in compliance with the requirements of Section 228.41 of Regulation BB and does not arbitrarily exclude low- and moderate-income ("LMI") geographies. A map of the assessment area appears in Appendix D of this report. There are no financial or legal factors that would prevent Peapack from fulfilling its responsibilities under the CRA.

Peapack's previous CRA examination was November 1, 1999, at which time the bank also received a "satisfactory" rating.

Through its branch network, Peapack provides financial services to commercial entities and individuals. The bank's business lines include: (1) retail banking, including residential mortgage lending, small business and consumer lending as well as retail deposit services; (2) personal trust and investment services; and (3) business services such as business checking, commercial lending, accounts receivable management, and certificates of deposit.

Based on data supplied by the Federal Deposit Insurance Corporation ("FDIC") Market Share Report dated June 30, 2001, Peapack was ranked 14th in deposits among 75 institutions in its assessment area with a 1.42 percent market share. Primary competitors include Somerset Valley Bank, Bank of Somerset Hills, Lakeland Bank and First Morris Bank and Trust.

Based on 2000 data reported under the Home Mortgage Disclosure Act ("HMDA"), Peapack originated 7.1 percent of all home improvement loans within the assessment area, 1.57 percent of refinance loans, and 1.16 percent of all reported home purchase loans. In home purchase lending, Wells Fargo Home Mortgage, Cendant Mortgage, Hudson City Savings Bank, Weichert Financial Services and 16 other state and national lenders lead the market, altogether representing 60 percent of all reported home mortgage loans in 2000 and ranking first to 20th in the market. Peapack is ranked 21st.

In small business lending, Peapack originated 0.79 percent of such loans reported in 2000 after four credit card lenders -- American Express Centurion, GE Capital Financing Inc., Capitol One F.S.B. and Advanta Bank Corporation, representing 61 percent of all reported small business lending -- are removed from consideration.

Demographic and economic information also impacts the bank's performance context and is discussed below. Information was obtained from publicly available sources including the U.S. Department of Commerce's Bureau of the Census (1990), the U.S. Department of Labor, the U.S. Department of Housing and Urban Development ("HUD"), the New Jersey Department of Labor and the New Jersey Realtors Association.

PERFORMANCE CONTEXT

Demographic Characteristics

According to the 1990 Census, the total population of the bank's assessment area is 447,833 or about 6 percent of the population of New Jersey. Only 2 percent of the population resides within the three moderate-income tracts in the bank's assessment area. The assessment area has no low-income tracts.

Income Characteristics

The HUD estimated median family income was \$72,300 in 1999, \$75,700 in 2000 and \$79,500 in 2001. These figures represent an average of the combined incomes of the two PMSAs that make up the bank's assessment area.

Housing Characteristics

According to the New Jersey Realtors Association, as of June 2001 the median cost of single-family housing ranged from \$195 thousand in Essex County to \$209,900 in Somerset County and \$285 thousand in Morris County. The average price of a single-family home in Somerset County was \$346,287. Without some form of subsidy, these prices are beyond the reach of low-income families as well as many moderate-income families.

Labor, Employment and Economic Characteristics

Peapack's assessment area contains 30,955 business establishments, of which 83 percent had gross annual revenues ("GAR") less than or equal to \$1 million.

According to the New Jersey Department of Labor, the 2001 estimated unemployment rate for the assessment area is 3.4 percent, which is lower than the state's jobless rate of 4.1 percent.

According to the Workforce New Jersey Public Information Network, the number of jobs increased between December 2000 and March 2001, with the largest growth in services and construction. The rise in business services employment stemmed from the continuing outsourcing of tasks such as payroll and data processing. In addition, the health services and hotels/lodging industries registered job gains. Manufacturing is the only industry that lost jobs (over 300).

The following chart contains additional demographic details.

EXHIBIT 1

Assessment Area Demographics

Income Categories	Tract Distribution		Families by Tract Income		Families Below Poverty Level as % of Families By Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0	0	0	0	0	9,628	8
Moderate-income	3	3	2,144	2	187	11	14,773	12
Middle-income	20	21	24,772	20	424	25	25,582	21
Upper-income	71	76	97,631	78	1,080	64	74,564	60
TOTALS	94	100%	124,547	100	1,691	100	124,547	100

	Housing Units by Tract	Housing Types by Tract					
		Owner-occupied		Rental		Vacancy	
		#	%	#	%	#	%
Low-income	0	0	0	0	0	0	0
Moderate-income	3,434	1,240	1	2,038	6	156	3
Middle-income	38,215	22,292	18	14,099	40	1,824	28
Upper-income	126,924	103,305	81	19,155	54	4,464	69
	168,573	126,837	100	35,292	100	6,444	100

	Total Businesses By Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 million		Over \$1 million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	0	0	0	0	0	0	0	0
Moderate-income	692	2	573	2	88	2	31	2
Middle-income	7,187	23	5,989	23	850	23	348	23
Upper-income	23,076	75	19,180	75	2,740	74	1,156	75
Tract not reported	0	0	0	0	0	0	0	0
TOTALS	30,955	100	25,742	100	3,678	100	1,535	100

SCOPE OF EXAMINATION

A full review of Peapack's performance was conducted for the bank's assessment area using the Federal Financial Institutions Examination Council's ("FFIEC") *Interagency Procedures and Guidelines for Large Retail Institutions*. HMDA-related loans, small business loans, consumer loans, community development loans and qualified investments were analyzed for the period of July 1, 1999, through March 31, 2001. Multifamily loans were excluded from the analysis because of the low number (three) of such loans.

The bank has no low-income census tracts and only three moderate-income tracts in its assessment area. In light of the limited number of LMI tracts and families residing in LMI tracts (2 percent), the analysis of loan distribution in various census tracts was given a limited weighting in determining the rating. Instead, the distribution of loans to borrowers was given the most weight. Moreover, the distribution of loans to borrowers was reviewed by different income levels based on the HUD estimated median family income data for the three years noted in the income characteristics on page BB3.

Investments (including grants) and community development services were evaluated as to whether they qualified as community development activity. Due to the recent addition of a small number (three) of moderate-income tracts to the assessment area and the low percentage of LMI families, opportunities for participation in community development lending and qualified investments activities were limited during the examination period.

For this examination, examiners used information from four community contacts involved in community services and economic development activities.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Peapack's record of meeting the credit needs of its assessment area through its lending activities was good for all lending products. Retail lending volume, geographic distribution and borrower distribution showed good responsiveness to the credit needs of the bank's assessment area. Community development lending was adequate.

The information used to evaluate the bank's performance in and outside its assessment area is detailed in Exhibit 2 on page BB7. Other data used in the analysis of lending can be found in the FFIEC Core Tables 1-12 in Appendix C. Core Tables 1 and 1A describe lending activity, Tables 2-5 describe geographic distribution of lending, and Tables 6-9 borrower characteristics.

Lending Activity: Peapack's lending activity increased from the levels reported in the previous examination largely because of the acquisition of Chatham Savings Bank. Lending activity continued to show good responsiveness to retail credit needs in the bank's assessment area when

measured in terms of the number and dollar amount of HMDA-related, small business and consumer loans originated and the bank's position in the market.

When compared with loan volumes at the previous examination, home purchase lending, refinancings and small business lending increased. The increases resulted from the acquisition of new branches and the resulting expansion of the assessment area, as well as the creation of several lending initiatives which impacted HMDA-related lending. The area's strong economy prompted the increase in small business lending.

Consumer lending volume was consistent with the previous examination. Home equity loans accounted for 33 percent of such loans, with motor vehicle loans (29 percent) and unsecured personal loans (26 percent) constituting the major portion of consumer products reviewed at this examination.

Assessment Area Concentration: A sizable number of Peapack's loan originations were made within the bank's assessment area. Specifically, 83 percent of the total number and 80 percent of the dollar amount were generated in the assessment area, as detailed below:

EXHIBIT 2								
Lending Inside And Outside The Assessment Area								
July 1, 1999 – March 31, 2001								
	Inside				Outside			
	#	%	\$ (000's)	%	#	%	\$ (000's)	%
Home purchase	180	71	\$46,935	76	73	29	\$15,210	24
Refinancing	148	86	28,629	90	24	14	3,298	10
Home improvement	160	88	6,582	91	21	12	630	9
Total HMDA-related	488	86	82,146	81	118	14	19,138	19
Total consumer	986	85	33,078	87	174	15	4,933	13
Total small business	210	78	20,305	66	59	22	10,499	34
TOTAL LOANS	1,684	83	\$135,529	80	351	17	\$34,570	20

Geographic Distribution: The geographic distribution of lending was good given the limited lending opportunities and the brief time Peapack has been operating in portions of its assessment area. The bank's lending occurred throughout its assessment area with loans well-distributed in the geographies where its presence has been established over the years. Loans were limited in the geographies added to the assessment area with the Chatham acquisition on January 7, 2000, and the openings of the New Vernon branch on February 10, 2000, and the Hillsborough branch on February 21, 2001.

Although Peapack originated two small business loans, two motor vehicle loans and no HMDA-related loans in the three moderate-income tracts that were added to its assessment area, these tracts provide limited opportunities for lending. This is evidenced by the aggregate's record in these geographies: less than 1 percent for HMDA-related lending and only 1.7 percent for small business lending.

Borrower Characteristics: The overall distribution of loans among borrowers of different income levels and businesses of different sizes was good. Two flexible mortgage products initiated during the examination period and directed toward LMI and first-time home buyers significantly enhanced the bank's home purchase loan performance. The initiative for LMI mortgages launched in mid-2000 resulted in 19 loan originations. This product is considered innovative because the bank paid the required private mortgage insurance ("PMI"), and it's considered flexible because of the below-market interest rate for this 30-year loan and a down payment requirement of only 3 percent.

The other product initiated in mid-2000 for first-time home buyer mortgages resulted in 12 home purchase loan originations. This product is considered flexible because of the below-market interest rate and 3 percent down payment requirement.

HMDA-related Lending to Moderate-income Families

Overall, the distribution of home purchase and home improvement loans to moderate-income borrowers was good when reviewed against the level of moderate-income families and the performance context. Refinance lending to moderate-income borrowers was excellent, reflecting the level of moderate-income families in the assessment area and exceeding the level of the aggregate's lending to such borrowers.

HMDA-related Lending to Low-income Families

The distribution of HMDA-related loans to low-income borrowers was good. Home purchase lending to low-income borrowers was excellent, reflecting the level of low-income families in the assessment area and greatly exceeding the level of lending to low-income borrowers reported by the aggregate. The distribution of refinancings and home improvement loans was adequate, and somewhat less than the level of low-income families in the bank's assessment area but exceeding the level of the aggregate's lending to such borrowers.

Consumer Lending to Moderate-income Households

The distribution of consumer loans to moderate-income borrowers in the assessment area was good and consistent with the percentage of moderate-income households in the bank's assessment area. Most of the consumer loans to moderate-income borrowers were motor vehicle loans (44 percent) and home equity loans (25 percent).

Consumer Lending to Low-income Households

The distribution of consumer loans to low-income borrowers in the assessment area was good. The percentage of consumer loans to low-income borrowers was consistent with the percentage of low-income households in the bank's assessment area. Nearly half of all consumer loans to low-income borrowers were motor vehicle loans.

Lending to Businesses of Different Sizes

The distribution of loans to small businesses reflected good distribution of loans to businesses of different sizes based on the level of lending to business establishments in the assessment area with GAR of \$1 million or less. Peapack made approximately 68 percent of its small business loans to businesses with GAR of \$1 million or less, outperforming the aggregate, which reported 63 percent of such loans. In addition, approximately 76 percent of the small business loans reported by the bank were for \$100 thousand or less.

Community Development Lending: The bank's community development lending was adequate. Peapack's two community development loans were assumed following the Chatham acquisition. The loans totaled \$225 thousand and support 63 affordable housing units in the assessment area. In this affluent area of high housing costs, community contacts identified affordable housing as a critical need. The creation of affordable housing, however, largely depends on subsidy programs and partnerships with affordable housing producers, and few of these operate in the assessment area. The lack of ample opportunities for such partnerships during the examination period was considered in evaluating the bank's performance.

INVESTMENT TEST

Peapack's performance under the investment test is rated "high satisfactory." The bank demonstrated a good level of responsiveness under the investment test for an institution with few opportunities for such investments during the examination period.

Qualified investments totaled \$702 thousand (including \$32 thousand in grants and donations) compared with a total of \$262 thousand at the previous examination. New Jersey community development bonds accounted for 48 percent of qualified investments while mortgage-backed securities totaled 47 percent of total investments. Investments were split between affordable housing (49.5 percent) and economic development (49 percent) including grants and donations. Investments initiated during the examination period totaled \$431 thousand or 61 percent of qualified investments. For details, see Core Table 11 on page BB19.

SERVICE TEST

Peapack's performance under the service test is rated "high satisfactory." The bank maintained an excellent level of retail services and an adequate level of community development services.

Retail Services

The bank's delivery systems are readily accessible to all geographies and individuals of different income levels in its assessment area. The addition of three new branches in Morris County (two of which were from the Chatham acquisition) and one new branch in Somerset County has expanded accessibility to the bank's services. Out of the 94 census tracts in the bank's assessment area, 35 or 37 percent contain 25 percent or more of LMI households. No branches are located in the moderate-income tracts in Peapack's assessment area, but eight or 53 percent of the bank's branches are located where there is a high concentration of LMI households. All credit and deposit products are available at all branches.

Trust and investments services are provided at 190 Main Street in Gladstone, New Jersey. Every branch except Pottersville maintains an automated teller machine ("ATM"). ATMs at 11 of the branches are accessible 24 hours. The bank does not maintain off-site or remote ATMs. Peapack does, however, provide no-fee checking accounts to individuals and businesses as well as ATM access with no charges for use of the bank ATMs or ATMs owned by other financial institutions.

The bank's business hours do not vary in a way that inconveniences certain portions of the assessment areas. Most of the branches have hours on Saturday. No branches were closed during the examination period. For details, see Core Table 12 on page BB19.

Community Development Services

Peapack provided an adequate level of community development services during the examination. Thirteen officers and employees served on boards and committees of community organizations, such as Bonnie Brae, a school for abused and abandoned children; Anderson House, a center offering treatment and housing for LMI women; and Homeless Solutions of Morris County. The bank participated in two first-time home buyer seminars.

COMPLIANCE WITH ANTIDISCRIMINATION LAWS

No credit practices violating the substantive provisions of the antidiscrimination laws and regulations, including the Equal Credit Opportunity Act (Regulation B) and the Fair Housing Act, were identified that would have an impact on Peapack's CRA rating.

CRA APPENDIX A

SCOPE OF EXAMINATION

Details concerning the scope of examination are found on page BB6.

CRA APPENDIX B

GLOSSARY

Aggregate lending: The number of loans originated and purchased by all lenders subject to reporting requirements as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA/assessment area.

Census tract: Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas (“MSAs”). They 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 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.

Consumer loan: A loan 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 of loans: motor vehicle, credit card, home equity, other secured loan and other unsecured loan.

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 household 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, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

Geography: A census tract or a block numbering area delineated by the U.S. 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 income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied and withdrawn).

Home mortgage loans: Include home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancings of home improvement and home purchase loans.

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

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 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 lenders in the MSA/assessment area.

Metropolitan area: Any primary metropolitan statistical area (“PMSA”), metropolitan statistical area (“MSA”), or consolidated metropolitan statistical area (“CMSA”), as defined by the Office of Management and Budget, with a population of 250 thousand or more, and any other area designated as such by the appropriate federal financial supervisory agency.

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.

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.

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

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.

Small loans to business: A loan included in “loans to small businesses” as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by non-farm nonresidential properties or are classified as commercial and industrial loans.

Small loans to farms: 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 thousand or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

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

CRA APPENDIX C

FFIEC INTERAGENCY CORE CRA PUBLIC EVALUATION TABLES

Table 1. Lending Volume

LENDING VOLUME		State: New Jersey										Evaluation Period: July 1, 1999, through March 31, 2001	
Metropolitan Statistical Area/ Assessment Area	% of Rated Area Loans (#) in MSA/AA***	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans*		Total Reported Loans		% of Rated Area Deposits in MSA/AA**	
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)		
Assessment Area Total	100	488	82,146	210	20,305	0	0	2	225	700	102,676	100%	

Full-Review:

(*) The evaluation period for community development loans is July 1, 1999 through March 31, 2001.
 (**) Deposit data as of March 31, 2001. Rated area refers to either the state or multistate MSA rating area.
 (***) Loan data as of March 31, 2001. Rate area refers to either the state or multistate MSA ratings area.

Table 1A. Lending Volume

LENDING VOLUME		State: New Jersey										Evaluation Period: July 1, 1999, through March 31, 2001	
Metropolitan Statistical Area/ Assessment Area	% of Rated Area Loans (#) in MSA/AA***	Home Equity*		Motor Vehicle*		Other Secured, Unsecured and Other Loan Data*		Other Lines for SB Purposes*		% of Rated Area Deposits in MSA/AA**			
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)		
Assessment Area Total	100%	330	\$21,546	289	\$4,271	367	\$7,261	20****	\$1,835****		100%		

Full-Review:

(*) The evaluation period for optional product lines is July 1, 1999, through March 31, 2001.
 (**) Deposit data as of March 31, 2001. Rated area refers to the state, multistate MSA or bank, as appropriate.
 (***) Loan data as of March 31, 2001. Rated area refers to either the state or multistate MSA rating area.
 (****) Other loans for small business purposes were not included in the overall loan analysis.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		State: New Jersey										Evaluation Period: July 1, 1999, through March 31, 2001				
Metropolitan Statistical Area/Assessment Area	Total Home Purchase Loans	Low-income Geographies			Moderate-income Geographies			Middle-income Geographies			Upper-income Geographies			Aggregate HMDA Lending (%) by Tract Income*		
	#	% of Total**	% Owner-Occupied Units***	% Bank Loans (%)	% Owner-Occupied Units***	% Bank Loans (%)	% Owner-Occupied Units***	% Bank Loans (%)	% Owner-Occupied Units***	% Bank Loans (%)	% Owner-Occupied Units***	% Bank Loans (%)	Low	Mod	Mid	Upper
Assessment Area Total	180	100	0	0	0.98	0	17.58	9.44	81.45	90.56	0	0.86	20.76	78.38		

Full-Review:

(*) Based on 1999 aggregate HMDA data only.

(**) Home purchase loans originated and purchased in the MSA/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 1990 Census information.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		State: New Jersey										Evaluation Period: July 1, 1999, through March 31, 2001				
Metropolitan Statistical Area/Assessment Area	Total Home Improvement Loans	Low-income Geographies			Moderate-income Geographies			Middle-income Geographies			Upper-income Geographies			Aggregate HMDA Lending (%) by Tract Income*		
	#	% of Total**	% Owner-Occupied Units***	% Bank Loans (%)	% Owner-Occupied Units***	% Bank Loans (%)	% Owner-Occupied Units***	% Bank Loans (%)	% Owner-Occupied Units***	% Bank Loans (%)	% Owner-Occupied Units***	% Bank Loans (%)	Low	Mod	Mid	Upper
Assessment Area Total	160	100	0	0	0.98	0	17.58	8.75	81.45	91.25	0	0.91	21.14	77.95		

Full-Review:

(*) Based on 1999 aggregate HMDA data only.

(**) Home improvement loans originated and purchased in the MSA/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 the number of owner-occupied housing units in the area based on 1990 Census information.

Table 4. Geographic Distribution of Home Mortgage Refinancings

Geographic Distribution: HOME MORTGAGE REFINANCE		State: New Jersey												Evaluation Period: July 1, 1999, through March 31, 2001					
Metropolitan Statistical Area/Assessment Area	Total Home Mortgage Refinance Loans		Low-income Geographies		Moderate-income Geographies		Middle-income Geographies		Upper-income Geographies		Aggregate HMDA Lending (%) by Tract Income*								
	#	% of Total**	% Owner-Occupied Units***	% Bank Loans (%)	% Owner-Occupied Units***	% Bank Loans (%)	% Owner-Occupied Units***	% Bank Loans (%)	% Owner-Occupied Units***	% Bank Loans (%)	% Owner-Occupied Units***	Low	Mod	Mid	Upper				
Assessment Area Total	148	100	0	0	0.98	0	17.58	6.76	81.45	93.24	0	0.82	18.04	81.13					

(*) Based on 1999 aggregate HMDA data only.
 (**) Home mortgage refinance loans originated and purchased in the MSA/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 the number of owner-occupied housing units in the area based on 1990 Census information.

Table 5. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		State: New Jersey												Evaluation Period: July 1, 1999, through March 31, 2001					
Metropolitan Statistical Area/Assessment Area	Total Small Business Loans		Low-income Geographies		Moderate-income Geographies		Middle-income Geographies		Upper-income Geographies		Aggregate Lending (%) by Tract Income*								
	#	% of Total**	% of Businesses***	% Bank Loans (%)	% of Businesses***	% Bank Loans (%)	% of Businesses***	% Bank Loans (%)	% of Businesses***	% Bank Loans (%)	% of Businesses***	Low	Mod	Mid	Upper				
Assessment Area Total	210	100	0	0	2.36	0.95	23.93	16.19	73.71	82.86	0	1.70	21.38	76.92					

(*) Based on 1999 aggregate small business data only.
 (**) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.
 (***) Source: Dun and Bradstreet.

Table 6. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		State: New Jersey												Evaluation Period: July 1, 1999, through March 31, 2001		
Metropolitan Statistical Area/ Assessment Area	Total Home Purchase Loans		Low-income Borrowers		Moderate-income Borrowers		Middle-income Borrowers		Upper-income Borrowers		Aggregate Lending Data (%) **					
	#	% of Total****	% Families*****	% Bank Loans*	% Families*****	% Families*****	% Bank Loans*	% Families*****	% Families*****	% Bank Loans*	Low	Mod	Mid	Upper		
Assessment Area Total	177	100	7.73	9.04	11.87	9.60	20.53	17.51	59.87	63.84	3.94	11.60	22.44	62.02		

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

(**) Based on 1999 aggregate HMDA data only.

(***) As a percentage of loans with borrower income information available.

(****) Percentage of Families is based on the 1990 Census information.

Table 7. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		State: New Jersey												Evaluation Period: July 1, 1999, through March 31, 2001		
Metropolitan Statistical Area/ Assessment Area	Total Home Improvement Loans		Low-income Borrowers		Moderate-income Borrowers		Middle-income Borrowers		Upper-income Borrowers		Aggregate Lending Data (%) **					
	#	% of Total****	% Families*****	% Bank Loans*	% Families*****	% Families*****	% Bank Loans*	% Families*****	% Families*****	% Bank Loans*	Low	Mod	Mid	Upper		
Assessment Area Total	155	100	7.73	4.52	11.87	10.97	20.53	25.81	59.87	58.71	4.17	12.44	22.97	60.42		

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

(**) Based on 1999 aggregate HMDA data only.

(***) As a percentage of loans with borrower income information available.

(****) Percentage of families is based on the 1990 Census information.

Table 8. Borrower Distribution of Home Mortgage Refinancings

Borrower Distribution: HOME MORTGAGE REFINANCE		State: New Jersey										Evaluation Period: July 1, 1999, through March 31, 2001			
Metropolitan Statistical Area/ Assessment Area	Total Home Mortgage Refinance Loans		Low-income Borrowers		Moderate-income Borrowers		Middle-income Borrowers		Upper-income Borrowers		Aggregate Lending Data (%) **				
	#	% of Total***	% Families****	% Bank Loans*	% Families****	% Bank Loans*	% Families****	% Families****	% Bank Loans*	% Families****	% Bank Loans*	Low	Mod	Mid	Upper
Assessment Area Total	141	100	7.73	5.67	11.87	12.06	20.53	15.60	59.87	66.67	3.51	10.98	21.20	64.31	

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

(**) Based on 1999 HMDA data only.

(***) As a percentage of loans with borrower income information available.

(****) Percentage of families is based on the 1990 Census information.

Table 9. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		State: New Jersey						Evaluation Period: July 1, 1999, through March 31, 2001			
Metropolitan Statistical Area/ Assessment Area	Total Small Loans to Businesses		Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size		Aggregate Data***				
	#	% of Total****	% of Businesses*	% Bank Loans**	\$100,000 or Less (%)	> \$100,000 to \$1,000,000 (%)	> \$1,000,000 (%)	All	Rev \$1 million or less		
Assessment Area Total	210	100	83.98	67.62	75.71	15.24	9.05	8,429	5,316		

(*) Businesses with revenues of \$1 million or less as a percentage of all businesses. Dun and Bradstreet data 1999.

(**) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses.

(***) Based on 1999 aggregate small business data only.

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

Table 10. Geographic and Borrower Distribution of Consumer Loans

Geographic and Borrower Distribution: CONSUMER LOANS***																		
State: New Jersey																		
Evaluation Period: July 1, 1999, through March 31, 2001																		
Metropolitan Statistical Area/ Assessment Area	Total Consumer Loans	Geographic Distribution						Borrower Distribution										
		Low-income Geographies		Moderate-income Geographies		Upper-income Geographies		Low-income Borrowers		Moderate-income Borrowers		Upper-income Borrowers						
		% of Households*	% of Bank Loans	% of Households*	% of Bank Loans	% of Households*	% of Bank Loans	% of Households*	% of Bank Loans	% of Households*	% of Bank Loans	% of Households*						
#	% of Total**																	
Assessment Area Total	986	100	0.00	0.00	2.06	0.20	22.30	12.17	75.64	87.63	11.27	14.14	11.60	14.25	16.91	22.19	60.22	49.18

(*) Percentage of households is based on the 1990 Census information.

(**) Consumer loans originated and purchased in the MSA/AA as a percentage of all consumer loans originated and purchased in the rated area.

(***) The information in this table is reported at the option of the institution.

Table 11. Qualified Investments

State: New Jersey												
Evaluation Period: July 1, 1999, through March 31, 2001												
Metropolitan Statistical Area/ Assessment Areas:	Current Period Investments						Total Investments					
	Prior Period Investments*		Moderate-income Geographies		Upper-income Geographies		Low-income Borrowers		Moderate-income Borrowers		Upper-income Borrowers	
	#	\$ (000's)	#	% of Households*	% of Bank Loans	% of Households*	% of Bank Loans	% of Households*	% of Bank Loans	% of Households*	% of Bank Loans	
Assessment Area Total	1	\$240	23	462	24	702	0	0	0	0	0	

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

(**) "Unfunded Commitments" means legally binding investment commitments that are tracked and recorded by the bank's financial reporting system.

Table 12. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																
State: New Jersey																
Evaluation Period: July 1, 1999, through March 31, 2001																
Metropolitan Statistical Area/ Assessment Area	Branches						Branch Openings/Closings									
	Deposits		% of Rated Area Deposits in MSA/AA		Location of Branches by Income of Geographies		# of Branch Closings		# of Branch Openings		Net Change in Location Of Branches (+ or -)					
	% of Rated Area	# of Bank Branches	% of Rated Area	Branches in MSA/AA	Low	Mod	Upper	Low	Mod	Upper	Low	Mod	Upper			
Total Assessment Area	100	15	100	0	0	2	13	0	4	0	+1	+3	0.00	1.94	20.73	77.33

Peapack Gladstone Bank Assessment Area As of March 31, 2001

Legend

- Low Income Tracts
- Moderate Income Tracts
- County
- Assessment Area
- Branch

