

**ROYAL BANCSHARES OF PENNSYLVANIA, INC.**

	CPP Disbursement Date 02/20/2009	RSSD (Holding Company) 2324429	Number of Insured Depository Institutions 1	
<b>Selected balance and off-balance sheet items</b>	<b>2010</b> \$ millions	<b>2011</b> \$ millions	%chg from prev	
<b>Assets</b>	\$973	\$841	-13.6%	
Loans	\$527	\$427	-18.8%	
Construction & development	\$93	\$63	-32.3%	
Closed-end 1-4 family residential	\$29	\$26	-12.4%	
Home equity	\$1	\$1	-7.0%	
Credit card	\$0	\$0		
Other consumer	\$1	\$1	17.6%	
Commercial & Industrial	\$77	\$54	-29.5%	
Commercial real estate	\$276	\$235	-15.0%	
Unused commitments	\$31	\$21	-32.4%	
Securitization outstanding principal	\$0	\$0		
Mortgage-backed securities (GSE and private issue)	\$251	\$256	2.1%	
Asset-backed securities	\$1	\$1	-15.0%	
Other securities	\$59	\$68	14.0%	
Cash & balances due	\$50	\$25	-51.2%	
Residential mortgage originations				
Closed-end mortgage originated for sale (quarter)	\$0	\$0		
Open-end HELOC originated for sale (quarter)	\$0	\$0		
Closed-end mortgage originations sold (quarter)	\$0	\$0		
Open-end HELOC originations sold (quarter)	\$0	\$0		
<b>Liabilities</b>	\$876	\$751	-14.3%	
Deposits	\$697	\$582	-16.5%	
Total other borrowings	\$159	\$148	-6.7%	
FHLB advances	\$111	\$104	-5.9%	
<b>Equity</b>				
Equity capital at quarter end	\$72	\$64	-11.7%	
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$15	\$0	NA	
<b>Performance Ratios</b>				
Tier 1 leverage ratio	9.2%	10.5%	--	
Tier 1 risk based capital ratio	14.3%	15.8%	--	
Total risk based capital ratio	15.5%	17.0%	--	
Return on equity <sup>1</sup>	-79.8%	-4.8%	--	
Return on assets <sup>1</sup>	-6.0%	-0.4%	--	
Net interest margin <sup>1</sup>	3.0%	3.0%	--	
Coverage ratio ((ALL+Alloc transfer risk)/Noncurrent loans)	32.3%	31.8%	--	
Loss provision to net charge-offs (qtr)	94.2%	57.3%	--	
Net charge-offs to average loans and leases <sup>1</sup>	10.5%	3.2%	--	
<sup>1</sup> Quarterly, annualized.				
	<b>Noncurrent Loans</b>		<b>Gross Charge-Offs</b>	
<b>Asset Quality (% of Total Loan Type)</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>
Construction & development	35.1%	34.8%	6.8%	1.0%
Closed-end 1-4 family residential	11.3%	3.4%	2.0%	0.3%
Home equity	0.0%	27.0%	0.0%	0.0%
Credit card	0.0%	0.0%	0.0%	0.0%
Other consumer	0.0%	0.0%	0.0%	0.0%
Commercial & Industrial	7.7%	9.0%	2.1%	3.7%
Commercial real estate	7.3%	9.1%	1.7%	0.2%
Total loans	12.4%	12.0%	2.6%	0.8%