

**ROYAL BANCSHARES OF PENNSYLVANIA, INC.**

	CPP Disbursement Date 02/20/2009	RSSD (Holding Company) 2324429	Number of Insured Depository Institutions 2	
<b>Selected balance and off-balance sheet items</b>	<b>2008</b> \$ millions	<b>2009</b> \$ millions	%chg from prev	
<b>Assets</b>	\$1,171	\$1,313	12.2%	
Loans	\$714	\$699	-2.1%	
Construction & development	\$201	\$121	-39.8%	
Closed-end 1-4 family residential	\$26	\$50	91.0%	
Home equity	\$1	\$1	-3.8%	
Credit card	\$0	\$0		
Other consumer	\$1	\$2	82.5%	
Commercial & Industrial	\$104	\$112	7.8%	
Commercial real estate	\$337	\$351	4.1%	
Unused commitments	\$100	\$46	-53.6%	
Securitization outstanding principal	\$0	\$0		
Mortgage-backed securities (GSE and private issue)	\$172	\$361	110.1%	
Asset-backed securities	\$3	\$1	-66.1%	
Other securities	\$157	\$68	-56.9%	
Cash & balances due	\$16	\$83	421.4%	
<b>Residential mortgage originations</b>				
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>	\$1,111	\$1,195	7.6%	
Deposits	\$776	\$912	17.5%	
Total other borrowings	\$292	\$262	-10.4%	
FHLB advances	\$231	\$210	-9.1%	
<b>Equity</b>				
Equity capital at quarter end	\$60	\$94	57.2%	
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$1	\$40	NA	
<b>Performance Ratios</b>				
Tier 1 leverage ratio	8.3%	8.8%	--	
Tier 1 risk based capital ratio	9.6%	12.9%	--	
Total risk based capital ratio	10.9%	14.2%	--	
Return on equity <sup>1</sup>	-139.2%	-21.0%	--	
Return on assets <sup>1</sup>	-9.0%	-1.5%	--	
Net interest margin <sup>1</sup>	2.9%	2.5%	--	
Coverage ratio ((ALL+Alloc transfer risk)/Noncurrent loans)	33.7%	39.1%	--	
Loss provision to net charge-offs (qtr)	99.9%	354.8%	--	
Net charge-offs to average loans and leases <sup>1</sup>	5.0%	0.9%	--	
<sup>1</sup> Quarterly, annualized.				
	<b>Noncurrent Loans</b>		<b>Gross Charge-Offs</b>	
<b>Asset Quality (% of Total Loan Type)</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>
Construction & development	25.2%	20.0%	2.3%	-0.2%
Closed-end 1-4 family residential	8.7%	30.4%	7.5%	2.3%
Home equity	0.2%	0.0%	0.1%	0.0%
Credit card	0.0%	0.0%	0.0%	0.0%
Other consumer	0.0%	0.0%	0.0%	0.0%
Commercial & Industrial	11.7%	10.5%	0.4%	0.0%
Commercial real estate	5.9%	6.3%	0.4%	0.3%
Total loans	12.0%	10.6%	1.2%	0.3%