

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION
(Include Holding Company Where Applicable)

VIST Financial

Point of Contact:	Robert Davis	RSSD: (For Bank Holding Companies)	1136139
UST Sequence Number:	155	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	25,000,000	FDIC Certificate Number: (For Depository Institutions)	7748
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	December 19, 2008	City:	Wyomissing
Date Repaid ¹ :	N/A	State:	Pennsylvania

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

Increase lending or reduce lending less than otherwise would have occurred.

VIST increased outstanding loans by \$43.4 million through internal growth and acquired an additional \$66.8 million in covered loans via an FDIC assisted transaction.

To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).

A majority of the loan growth was associated with commercial and small business customers.

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Increase securities purchased (ABS, MBS, etc.).

VIST increased securities by \$10.7 million in 2010 through the purchase of U.S. government agencies, Agency mortgage-backed debt securities and obligations of state and political subdivisions.

Make other investments.

Increase reserves for non-performing assets.

VIST increased the allowance for loan losses by \$3.3 million in 2010; VIST's ratio of allowance for loan losses improved to 1.55% at December 31, 2010 as compared to 1.26% at December 31, 2009.

Reduce borrowings.

VIST reduced long-term FHLB advances by \$10.0 million in 2010 as well as reduced short-term repurchase agreements by \$8.4 million in 2010.

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X Increase charge-offs.

VIST had net charge-offs of \$6.9 million in 2010, which was significantly higher than historical levels.

X Purchase another financial institution or purchase assets from another financial institution.

On November 19, 2010, the Company acquired \$93.0 million of certain assets and assumed \$106.0 million of certain liabilities of Allegiance Bank of North America ("Allegiance") of Bala Cynwyd, Pennsylvania, through an FDIC-assisted whole bank acquisition.

X Held as non-leveraged increase to total capital.

VIST's leverage ratio was 8.01% at 12/31/10, as compared to 8.36% at 12/31/09. VIST's other two regulatory capital ratios (i.e. tier 1 risk-based and total risk-based capital ratios) improved slightly in 2010.

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What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

VIST was not required to discontinue lending or sell assets to maintain regulatory capital requirements.

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What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

VIST was able to continue to meet the legitimate borrowing needs of businesses and consumers in our market area.

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Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

VIST was able to execute an FDIC assisted transaction. On November 19, 2010, the Company acquired \$93.0 million of certain assets and assumed \$106.0 million of certain liabilities of Allegiance Bank of North America ("Allegiance") of Bala Cynwyd, Pennsylvania, through an FDIC-assisted whole bank acquisition.