FORM 424B3

Prospectus filed pursuant to Rule 424(b)(3)

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FIRST FIDELITY BANCORPORATION /NJ/
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Filed pursuant to Rule 424(b)(3)
Registration No. 33-50079

(FIRST FIDELITY BANCORPORATION LOGO)

January 4, 1994

Dear Peoples Westchester Savings Bank Shareholder:

On December 30, 1993, First Fidelity Bancorporation ("First Fidelity") acquired Peoples Westchester Savings Bank ("Peoples") pursuant to an Agreement and Plan of Merger between Peoples and First Fidelity ("Merger Agreement") which provided for the merger of Peoples with and into First Fidelity Bank, N.A., New York (the "Merger").

As described in the Proxy Statement-Prospectus referred to below, the Merger Agreement provides that upon consummation of the Merger each Peoples shareholder will receive either all cash or all shares of First Fidelity common stock in exchange for all his or her shares of Peoples common stock.

Accordingly, First Fidelity is now asking you to indicate whether you wish to elect to receive either all cash or all First Fidelity common stock in exchange for your shares of Peoples common stock. To assist you in making this election, enclosed are an Election Form and Letter of Transmittal (the "Election Form") and a Prospectus Supplement to the original Proxy Statement-Prospectus, dated August 24, 1993, which was sent to Peoples shareholders of record as of August 19, 1993. The Prospectus Supplement is attached to this letter; for those of you who did not previously receive a copy of the original Proxy Statement-Prospectus, a copy is also enclosed.

As a result of the Merger, each Peoples shareholder of record as of December 30, 1993 is entitled to elect to receive for each of such holder's shares of Peoples common stock either (i) $40.86 in cash or (ii) 0.9390 of a share of First Fidelity common stock (except that cash will be received in lieu of a fractional share interest). Because the value of First Fidelity common stock changes in the market, it is possible that the value of First Fidelity common stock to be received for each share of Peoples common stock will be worth more or less than the $40.86 per share to be received under the cash payment alternative when it is received. For example, based upon the closing price per share of First Fidelity common stock of $45.50 on December 30, 1993 and on the exchange ratio of 0.9390 of a share of First Fidelity common stock per share of Peoples common stock, the market value of the First Fidelity common stock to be received would be $42.72 per share of Peoples common stock. Each Peoples shareholder is urged to check current market price information of First Fidelity common stock prior to making an election. First Fidelity common stock trades on the New York Stock Exchange under the symbol "FFB."

Pursuant to the Merger Agreement, the number of shares of Peoples common stock to be exchanged for cash has been fixed at approximately 3.0 million shares, or approximately 54% of the Peoples shares outstanding, and the number of shares of Peoples common stock to be exchanged for First Fidelity common stock has been fixed at approximately 2.6 million, or approximately 46% of the Peoples shares outstanding. Accordingly, there can be no guarantee that any given shareholder's election will be honored. Each election will be subject to the results of the procedures set forth in the Merger Agreement for allocating the amounts available for cash and First Fidelity common stock payments among Peoples shareholders. To the extent that shareholder elections exceed the total amounts available for cash or First Fidelity common stock payments, the Exchange Agent will be required to select, on a random basis, certain shareholders whose shares will be converted into First Fidelity common stock or cash, respectively, notwithstanding their elections.

You will need to complete and return the accompanying Election Form to the Exchange Agent, First Fidelity Bank, N.A., New Jersey, in order to indicate whether you wish to receive either all cash or all First Fidelity common stock. You also may indicate on the Election Form that you do not have a preference as to cash or First Fidelity common stock.

We urge you to consult your own financial advisor before making your election. Moreover, although certain federal income tax consequences of the Merger to Peoples shareholders are described in the Prospectus Supplement, you should consult your own tax advisor because of the complexities of the federal, state and local tax laws. We make no recommendation as to whether you should elect cash or stock or indicate no preference.

IT IS IMPORTANT THAT YOU READ THE ACCOMPANYING DOCUMENTS CAREFULLY, COMPLETE THE ENCLOSED ELECTION FORM, AND ENSURE THAT IT, TOGETHER WITH ALL STOCK CERTIFICATES REPRESENTING YOUR PEOPLES COMMON STOCK TO WHICH THE ELECTION FORM RELATES, IS ACTUALLY RECEIVED BY THE EXCHANGE AGENT AT ONE OF THE PROPER LOCATIONS SPECIFIED IN THE ELECTION FORM BY 5:00 P.M., NEW YORK TIME, ON FEBRUARY 2, 1994. IF SUCH MATERIALS ARE NOT ACTUALLY RECEIVED BY THE EXCHANGE AGENT AT ONE OF THE PROPER LOCATIONS BY THE PROPER TIME, YOU WILL BE DEEMED TO

HAVE EXPRESSED NO PREFERENCE AND WILL RECEIVE EITHER CASH OR FIRST FIDELITY COMMON STOCK, DEPENDING UPON THE CHOICES MADE BY OTHER PEOPLES SHAREHOLDERS.

Sincerely,

Anthony P. Terracciano
Chairman of the Board, President
and Chief Executive Officer

(FIRST FIDELITY BANCORPORATION LOGO)

PROSPECTUS SUPPLEMENT
TO
PROXY STATEMENT-PROSPECTUS
DATED AUGUST 24, 1993

FIRST FIDELITY BANCORPORATION

This Prospectus Supplement ("Supplement") is being furnished to holders of common stock, par value $1.00 per share ("Peoples Common Stock"), of Peoples Westchester Savings Bank, which was, until December 30, 1993, a New York State-chartered stock-form savings bank ("Peoples"), as a supplement to the Proxy Statement-Prospectus, dated August 24, 1993 (the "Proxy Statement-Prospectus"), of Peoples and First Fidelity Bancorporation, a New Jersey corporation ("First Fidelity"). The Proxy Statement-Prospectus was previously sent to holders of record of Peoples Common Stock as of August 19, 1993 in connection with the Special Meeting of Shareholders of Peoples held on October 7, 1993 (the "Special Meeting"). A copy of the Proxy Statement-Prospectus is enclosed herewith for shareholders to whom a Proxy Statement-Prospectus has not previously been sent. At the Special Meeting, Peoples shareholders approved the Agreement and Plan of Merger, dated as of April 14, 1993, by and between First Fidelity and Peoples, as amended and supplemented by a letter agreement, dated as of April 26, 1993, between First Fidelity and Peoples and by an Agreement to Merge, dated as of December 23, 1993, between First Fidelity Bank, N.A., New York ("FFB-NY") and Peoples (as so amended and supplemented, the "Merger Agreement"), a copy of which is attached to the Proxy Statement-Prospectus as Appendix A, and the transactions contemplated thereby, which provided for the acquisition of Peoples by First Fidelity and the matters contemplated thereby (the "Merger"). The Merger of Peoples with and into FFB-NY was consummated on December 30, 1993. Subject to the election and allocation procedures described herein, all of the shares of Peoples Common Stock held by each holder have been converted into the right to receive for each share of Peoples Common Stock either (i) $40.86 in cash, without interest, or (ii) 0.9390 of a share of common stock, par value $1.00 per share, of First Fidelity ("First Fidelity Common Stock").

Pursuant to and as provided in the Merger Agreement, the number of shares of Peoples Common Stock to be converted into the right to receive cash in the Merger has been fixed at approximately 3.0 million shares, or approximately 54% of Peoples shares outstanding, and the number of shares of Peoples Common Stock to be converted into the right to receive First Fidelity Common Stock in the Merger has been fixed at approximately 2.6 million shares, or approximately 46% of Peoples shares outstanding. Accordingly, there can be no assurance that each Peoples shareholder will receive the form of consideration which such holder elects. In the event that the elections result in an oversubscription of either First Fidelity Common Stock or cash, the Exchange Agent will be required to select on a random basis certain shareholders whose shares will be converted into First Fidelity Common Stock or cash, respectively, notwithstanding their elections.

This Supplement updates certain information contained in the Proxy Statement-Prospectus and, together with the Proxy Statement-Prospectus, is for the use of Peoples shareholders of record as of December 30, 1993 in determining whether they would elect to receive either all cash or all First Fidelity Common Stock or would have no preference as between cash and First Fidelity Common Stock for all their shares of Peoples Common Stock. Depending upon the market value of First Fidelity Common Stock at the time of receipt, it is possible that the market value of First Fidelity Common Stock to be received for each share of Peoples Common Stock will be worth more or less than the $40.86 per share of Peoples Common Stock to be received under the cash payment alternative. Based upon the closing price per share of First Fidelity Common Stock of $45.50 on December 30, 1993, as reported on the New York Stock Exchange (the "NYSE") Composite Transactions Tape and the exchange ratio of 0.9390 of a share of First Fidelity Common Stock per share of Peoples Common Stock, the market value of the First Fidelity Common Stock to be received would be $42.72 per share of Peoples Common Stock. As the market price for First Fidelity Common Stock is likely to fluctuate, a Peoples shareholder should consider current price information prior to making an election. In addition, shareholders who receive First Fidelity Common Stock can expect to receive the dividend typically declared by First Fidelity in January and payable in early February. Under the terms of the Merger Agreement, no consideration will be paid to holders of Peoples Common Stock until the completion of the election and allocation procedures described herein, which will not occur until February 2, 1994 at the earliest. Furthermore, as discussed under "ELECTION AND ALLOCATION PROCEDURES," no guarantee can be given that an election by any given shareholder will be honored.

PLEASE READ THIS SUPPLEMENT AND THE PROXY STATEMENT-PROSPECTUS CAREFULLY. FAILURE OF A HOLDER OF PEOPLES COMMON STOCK TO PROPERLY COMPLETE AND DELIVER THE ACCOMPANYING ELECTION FORM AND LETTER OF TRANSMITTAL (THE "ELECTION FORM"), TOGETHER WITH THE CERTIFICATES REPRESENTING SHARES OF PEOPLES COMMON STOCK TO WHICH THE ELECTION FORM RELATES, TO ONE OF THE PROPER LOCATIONS SPECIFIED IN THE ELECTION FORM, BY 5:00 P.M., NEW YORK TIME, ON FEBRUARY 2, 1994 (THE "ELECTION DEADLINE") AND TO COMPLY WITH THE PROCEDURES DESCRIBED IN THIS SUPPLEMENT WILL CAUSE SUCH HOLDER TO BE DEEMED TO HAVE EXPRESSED NO PREFERENCE AND TO RECEIVE EITHER ALL CASH OR ALL FIRST FIDELITY COMMON STOCK, DEPENDING UPON THE ELECTIONS MADE BY OTHER PEOPLES SHAREHOLDERS. IF YOUR STOCK CERTIFICATE(S) IS LOST, STOLEN OR DESTROYED, YOU ARE URGED TO REFER TO INSTRUCTION 12 SET FORTH IN THE ACCOMPANYING ELECTION FORM.

This Supplement and the Proxy Statement-Prospectus constitute a prospectus of First Fidelity with respect to the shares of First Fidelity Common Stock issuable pursuant to the Merger. This Supplement shall not constitute an offer to sell or solicitation of an offer to purchase unless accompanied or preceded by the Proxy Statement-Prospectus.

The outstanding shares of First Fidelity Common Stock are listed on the NYSE under the symbol "FFB".

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT TO THE PROXY STATEMENT-PROSPECTUS DATED AUGUST 24, 1993. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Supplement is January 4, 1994.

AVAILABLE INFORMATION

First Fidelity and Peoples are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations thereunder. In accordance therewith, First Fidelity files reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission") and Peoples filed reports, proxy statements and other information with the Federal Deposit Insurance Corporation (the "FDIC"). Such reports, proxy statements and other information filed by First Fidelity should be available for inspection and copying, upon payment of prescribed fees, at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 and at the Commission's regional offices at Northwestern Atrium Center, 500 West Madison Street, Chicago, Illinois 60661, and 7 World Trade Center, New York, New York 10048. Such reports, proxy statements and other information filed by Peoples should be available for inspection and copying, upon payment of prescribed fees, at the public reference facilities maintained by the FDIC at 550 17th Street, Room F-250, N.W., Washington, D.C. 20429 and should be available for inspection in the Public Inspection File maintained by the Public Information Department of the Federal Reserve Bank in New York at 33 Liberty Street, New York, New York 10045. In addition, the equity securities of First Fidelity are listed on the NYSE, and such reports, proxy statements and other information concerning First Fidelity also should be available for inspection at the offices of the NYSE, 20 Broad Street, New York, New York 10005. The Peoples Common Stock was quoted on the National Association of Securities Dealers, Inc. (the "NASD")Automated Quotation National Market System (the "NASDAQ-NMS"), and such reports, proxy statements and other information concerning Peoples also should be available for inspection at the offices of the NASD, 33 Whitehall Street, New York, New York 10004 and for inspection and copying at the offices of the NASD, 1735 K Street, N.W., Washington, D.C. 20006.

This Supplement and the Proxy Statement-Prospectus do not contain all of the information set forth in the Registration Statement on Form S-4 and exhibits thereto (the "Registration Statement") which First Fidelity has filed with the Commission under the Securities Act of 1933, as amended (the "Securities Act"), and the rules and regulations thereunder, certain portions of which have been omitted pursuant to the rules and regulations of the Commission and to which reference is hereby made. Any statements contained herein concerning the provisions of any document are not necessarily complete and, in each instance, reference is made to the copy of such document filed as an exhibit to the Registration Statement or otherwise filed with the Commission. Each such statement is qualified in its entirety by such reference. The Registration Statement (and exhibits thereto) should be available for inspection at the office of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, and copies thereof may be obtained from the Commission at prescribed rates.

THIS SUPPLEMENT INCORPORATES BY REFERENCE FIRST FIDELITY DOCUMENTS WHICH ARE NOT PRESENTED HEREIN OR DELIVERED HEREWITH. FIRST FIDELITY WILL PROVIDE WITHOUT CHARGE TO ANY PERSON TO WHOM THIS SUPPLEMENT IS DELIVERED, INCLUDING ANY BENEFICIAL OWNER OF PEOPLES COMMON STOCK, UPON WRITTEN OR ORAL REQUEST OF SUCH PERSON, A COPY OF ANY OR ALL OF THE DOCUMENTS INCORPORATED HEREIN BY REFERENCE (OTHER THAN EXHIBITS TO SUCH DOCUMENTS WHICH ARE NOT SPECIFICALLY INCORPORATED THEREIN BY REFERENCE). WRITTEN REQUESTS FOR DOCUMENTS RELATING TO FIRST FIDELITY SHOULD BE DIRECTED TO INVESTOR RELATIONS, FIRST FIDELITY BANCORPORATION, 550 BROAD STREET, NEWARK, NEW JERSEY 07102. TELEPHONE REQUESTS MAY BE DIRECTED TO INVESTOR RELATIONS AT (201) 565-3150. FURTHERMORE, ADDITIONAL COPIES OF THE PROXY STATEMENT-PROSPECTUS, ELECTION FORM AND THIS SUPPLEMENT ARE AVAILABLE UPON REQUEST FROM THE EXCHANGE AGENT, FIRST FIDELITY BANK, N.A., NEW JERSEY AT 10 BANK STREET, FOURTH FLOOR, NEWARK, NEW JERSEY 07102. IN ORDER TO ENSURE TIMELY DELIVERY OF ANY OF THE DOCUMENTS, REQUESTS SHOULD BE MADE BY JANUARY 18, 1994.

NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS NOT CONTAINED IN THIS SUPPLEMENT OR INCORPORATED BY REFERENCE HEREIN AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY FIRST FIDELITY OR PEOPLES. THIS SUPPLEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO PURCHASE ANY SECURITIES IN ANY JURISDICTION TO OR FROM ANY PERSON TO OR FROM WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER, OR SOLICITATION OF AN OFFER WITHIN SUCH JURISDICTION. NEITHER THE DELIVERY OF THIS SUPPLEMENT NOR THE DISTRIBUTION OF SECURITIES HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF FIRST FIDELITY OR PEOPLES SINCE THE DATES HEREOF OR THEREOF OR THAT THE INFORMATION HEREIN OR IN THE DOCUMENTS INCORPORATED HEREIN BY REFERENCE IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF OR THE DATES THEREOF.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents and information heretofore filed with the Commission by First Fidelity (File No. 1-9839) are incorporated by reference in this Supplement:

(1) First Fidelity's Annual Report on Form 10-K for the year ended December 31, 1992 (the "First Fidelity Form 10-K"); provided, however, that the information referred to in Item 402(a)(8) of Regulation S-K promulgated by the Commission shall not be deemed to be specifically incorporated by reference herein;

(2) First Fidelity's Quarterly Reports on Form 10-Q for the quarters ended March 31, 1993 (as amended by Form 10-Q/A as filed with the Commission on June 2, 1993), June 30, 1993 and September 30, 1993;

(3) The description of the First Fidelity Common Stock contained in the Registration Statement on Form 8-B, as amended, filed with the Commission, pursuant to which First Fidelity registered, among other things, the First Fidelity Common Stock pursuant to Section 12(b) of the Exchange Act;

(4) The description of the Preferred Share Purchase Rights (the "First Fidelity Rights") issued by First Fidelity pursuant to the Preferred Share Purchase Rights Plan, dated as of August 17, 1989, as amended (the "First Fidelity Rights Agreement"), between First Fidelity and First Fidelity Bank, N.A., New Jersey, contained in the Registration Statement on Form 8-A, as amended, filed with the Commission, pursuant to which First Fidelity registered the First Fidelity Rights pursuant to Section 12(b) of the Exchange Act; and

(5) First Fidelity's Current Reports on Form 8-K, dated March 21, 1991, April 14, 1993, May 4, 1993 (as amended and supplemented by Form 8-K/A filed with the Commission on June 2, 1993 and Current Reports on Form 8-K filed by First Fidelity with the Commission on August 13, 1993 and November 10, 1993).

All documents filed by First Fidelity pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this Supplement and prior to the last possible day for which elections may be made as described herein shall be deemed to be incorporated by reference into this Supplement and to be a part hereof from the date of filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Supplement to the extent that a statement contained herein, or in any subsequently filed document which also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Supplement.

INFORMATION RELATING TO PEOPLES

The Peoples Annual Report on Form F-2 for the year ended December 31, 1992 (without the exhibits thereto) (the "Peoples Form F-2"), and the Financial

Section of Peoples' 1992 Annual Report to Shareholders (the "Peoples Financial Section") appear as Appendices C-1 and C-2, respectively, to the Proxy Statement-Prospectus and the Peoples Quarterly Report on Form F-4 for the quarter ended September 30, 1993 (the "Peoples Form F-4") appears as Appendix A to this Supplement. The foregoing Peoples documents attached as Appendices hereto and thereto are hereby incorporated by reference into this Supplement. Notwithstanding any statement to the contrary contained in any of the foregoing Peoples documents, no effect shall be given to any incorporation by reference provided for therein and any such documents or information so incorporated shall not be deemed a part hereof.

*   *   *

Unless the context requires otherwise, references to the First Fidelity Common Stock also include the attached First Fidelity Rights.

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SUMMARY

The following is a summary of certain information relating to First Fidelity and Peoples, the Merger and the related shareholder election and allocation procedures contained elsewhere in this Supplement, the Proxy Statement-Prospectus and the documents incorporated herein and therein by reference. Reference is made to, and this summary is qualified in its entirety by, the more detailed information contained elsewhere in this Supplement and the Proxy Statement-Prospectus, contained in the accompanying Appendices hereto and thereto and the documents incorporated by reference in this Supplement and the Proxy Statement-Prospectus and contained in the documents referred to herein and therein. Shareholders are urged to read this Supplement and the Proxy Statement-Prospectus, the documents incorporated herein and therein by reference and the accompanying Appendices hereto and thereto in their entirety.

THE PARTIES

First Fidelity. First Fidelity Bancorporation ("First Fidelity") is a New Jersey corporation registered as a bank holding company under the Bank Holding Company Act of 1956, as amended. First Fidelity serves the mid-Atlantic region and provides a full range of banking services through its flagship banks. As of September 30, 1993, First Fidelity had total assets, deposits and stockholders' equity of $32.6 billion, $27.4 billion and $2.6 billion, respectively. With over 600 branch offices throughout New Jersey, eastern Pennsylvania, Connecticut and Westchester County and Riverdale in New York, First Fidelity ranks as one of the 25 largest United States bank holding companies. The address of First Fidelity's principal executive offices is 2673 Main Street, P.O. Box 6980, Lawrenceville, New Jersey 08648 and its telephone number is (609) 895-6800. See "THE PARTIES -- First Fidelity," in the Proxy Statement-Prospectus.

FFB-NY. First Fidelity Bank, N.A., New York ("FFB-NY") is a wholly-owned national bank subsidiary of First Fidelity, with its principal executive offices located in Riverdale, New York. On December 30, 1993, the effective time of the Merger (the "Effective Time"), Peoples merged with and into FFB-NY, with FFB-NY being the surviving entity. See "THE PARTIES -- FFB-NY" in the Proxy Statement-Prospectus.

Peoples. Prior to the Merger, Peoples was a New York State-chartered stock-form savings bank conducting business through its principal office and through 31 branch offices located in Westchester County, New York. As of September 30, 1993, Peoples had total assets, deposits and stockholders' equity of $1.7 billion, $1.4 billion and $174.0 million, respectively. As a result of the Merger, all the assets and liabilities of Peoples are now held by FFB-NY. See "THE PARTIES -- Peoples" in the Proxy Statement-Prospectus.

THE MERGER

Consummation. The Merger was consummated on December 30, 1993 pursuant to the terms contained in the Merger Agreement and as described in the Proxy Statement-Prospectus. See "THE MERGER -- The Merger" in the Proxy Statement-Prospectus.

Consideration for Peoples Common Stock. The Merger Agreement provides that upon consummation of the Merger, and subject to the election and allocation procedures provided for therein and described herein, all the issued and outstanding shares of Peoples Common Stock held by a holder of Peoples Common Stock immediately prior to the Effective Time are converted into the right to receive for each share of Peoples Common Stock either (i) $40.86 in cash without interest (such cash amount being hereinafter referred to as the "Cash Price") or (ii) 0.9390 of a share of First Fidelity Common Stock and cash in lieu of fractional shares (such number of shares being hereinafter referred to as the "Exchange Ratio" or the "Stock Consideration").

Pursuant to and as provided in the Merger Agreement, the number of shares of Peoples Common Stock to be converted into the right to receive cash in the Merger has been fixed at approximately 3.0 million shares (the "Cash Conversion Number"), or approximately 54% of the Peoples shares outstanding, and the number of shares of Peoples Common Stock to be converted into the right to receive shares of First Fidelity Common Stock in the Merger has been fixed at approximately 2.6 million shares (the "Stock Conversion Number"), or approximately 46% of the Peoples shares outstanding. See "ELECTION AND ALLOCATION PROCEDURES."

Depending upon the market value of First Fidelity Common Stock at the time of receipt, it is possible that the market value of the First Fidelity Common Stock to be received for each share of Peoples Common Stock will be worth more or less than the $40.86 to be received under the Cash Price alternative. Based upon the closing price of First Fidelity Common Stock of $45.50 on December 30, 1993 and on the exchange ratio of 0.9390 of a share of First Fidelity Common Stock, the market value of the First Fidelity Common Stock to be received would be $42.72 per share of Peoples Common Stock. As the market price for First Fidelity Common Stock is likely to fluctuate, a shareholder should consider more recent price information prior to making an election. In addition, shareholders who receive First Fidelity Common Stock can expect to receive the dividend typically declared by First Fidelity in January and payable in early February. The foregoing discussion does not take into account various factors that may affect the value to a particular Peoples shareholder of any consideration received, including, for example, federal, state and local tax consequences. See "FEDERAL INCOME TAX CONSEQUENCES."

Election Procedures. Each holder of record of Peoples Common Stock as of December 30, 1993 is now being asked to indicate on the enclosed Election Form whether such holder would elect (subject to the limitations described below) to receive cash for all of such holder's shares of Peoples Common Stock (a "Cash Election") or First Fidelity Common Stock for all of such holder's shares of Peoples Common Stock (a "Stock Election") or that such holder would have no preference as to cash or First Fidelity Common Stock in the Merger. As described below, such election may not necessarily be honored. See "ELECTION AND ALLOCATION PROCEDURES." It is essential that you complete your Election Form properly and that First Fidelity Bank, N.A., New Jersey, as exchange agent (the "Exchange Agent"), actually receive it, together with the certificates representing your shares of Peoples Common Stock to which your Election Form relates, at one of the proper locations specified in the Election Form by the Election Deadline, which is 5:00 P.M., New York Time, on February 2, 1994.

A record holder of Peoples Common Stock who does not, by the Election Deadline, properly complete, sign and deliver the enclosed Election Form along with such holder's certificates will be deemed to have indicated no preference for cash or First Fidelity Common Stock and will be allocated cash or First Fidelity Common Stock depending upon the elections made by other Peoples shareholders. If a record holder does not make an effective election (which would result, for example, from the failure to send to the Exchange Agent a properly completed Election Form together with the certificates representing all shares of Peoples Common Stock to which the Election Form relates or from the Exchange Agent not actually receiving the proper documents at one of the proper locations specified in the Election Form by the Election Deadline), the holder will be deemed not to have made an election and will be deemed to have indicated no preference with respect to receiving shares of First Fidelity Common Stock or cash for all of such holder's shares.

Each holder of record is entitled to make an election and submit an Election Form covering all shares of Peoples Common Stock actually held of record by such holder. Nominee record holders, which includes any nominee, any trustee or any other person that holds shares of Peoples Common Stock in any capacity whatsoever on behalf of another person or entity, are entitled to make an election for such nominee record holder as well as an election on behalf of each beneficial owner of shares of Peoples Common Stock held through such nominee record holder, but such elections must be made on one Election Form. Beneficial owners who are not record holders are not entitled to submit Election Forms.

Any Cash Election, Stock Election or indication of no preference may be revoked, but only by written notice actually received by the Exchange Agent at one of the proper locations specified in the Election Form by the Election Deadline. NEITHER FIRST FIDELITY NOR THE EXCHANGE AGENT WILL BE UNDER ANY OBLIGATION TO NOTIFY ANY PERSON OF ANY DEFECT IN AN ELECTION FORM OR NOTICE OF REVOCATION SUBMITTED TO THE EXCHANGE AGENT. See "ELECTION AND ALLOCATION PROCEDURES" in this Supplement.

Because the tax consequences of receiving cash or First Fidelity Common Stock will differ, shareholders of Peoples are urged to read carefully the information under the caption "CERTAIN FEDERAL INCOME TAX CONSEQUENCES" in this Supplement.

ALLOCATION PROCEDURES

PURSUANT TO AND AS PROVIDED IN THE MERGER AGREEMENT, THE NUMBER OF SHARES OF PEOPLES COMMON STOCK TO BE CONVERTED INTO THE RIGHT TO RECEIVE FIRST FIDELITY COMMON STOCK HAS BEEN FIXED AT APPROXIMATELY 2.6 MILLION SHARES, OR APPROXIMATELY 46% OF THE PEOPLES SHARES OUTSTANDING, AND THE NUMBER OF SHARES OF PEOPLES COMMON STOCK TO BE CONVERTED INTO THE RIGHT TO RECEIVE CASH IN THE MERGER HAS BEEN FIXED AT APPROXIMATELY 3.0 MILLION SHARES, OR APPROXIMATELY 54% OF THE PEOPLES SHARES OUTSTANDING. ACCORDINGLY, NO GUARANTEE CAN BE GIVEN THAT AN ELECTION BY ANY GIVEN SHAREHOLDER WILL BE HONORED. RATHER, THE ELECTION BY EACH HOLDER OF PEOPLES COMMON STOCK WILL BE SUBJECT TO THE RESULTS OF THE ALLOCATION PROCEDURES AS DESCRIBED HEREIN.

Holders of Peoples Common Stock are urged to read carefully the more complete description of the election and allocation procedures under "ELECTION AND ALLOCATION PROCEDURES."

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

In the opinion of Wachtell, Lipton, Rosen & Katz, counsel for Peoples, the Merger qualifies as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code") and, accordingly, for federal income tax purposes, (i) no gain or loss will be recognized by Peoples, First Fidelity or FFB-NY as a result of the Merger, (ii) Peoples shareholders who exchange their Peoples Common Stock for First Fidelity Common Stock will not recognize any gain or loss on the exchange, other than with respect to the receipt of cash for fractional shares, and (iii) Peoples shareholders who exchange their Peoples Common Stock for cash will generally recognize gain or loss on such exchange to the extent of the difference between the amount of cash received and such shareholders' tax basis in the Peoples Common Stock exchanged. See "CERTAIN FEDERAL INCOME TAX CONSEQUENCES."

RECENT DEVELOPMENTS

On October 21, 1993, First Fidelity's Board of Directors (the "Board") authorized the acquisition of up to 2% of the outstanding shares of First Fidelity Common Stock in any calendar year, through open market or privately-negotiated transactions. On November 18, 1993, the Board authorized the acquisition of up to an additional 1% of the outstanding shares of First Fidelity Common Stock during 1993. This repurchase program is in addition to the more limited repurchase program implemented earlier in 1993 in connection with First Fidelity's dividend reinvestment plan and its stock option and restricted stock plans. From September 30, 1993 through December 30, 1993, First Fidelity had repurchased 2,380,451 shares of First Fidelity Common Stock, at an average price of $42.22 per share, which constitutes approximately 2.98% of the outstanding shares of First Fidelity Common Stock.

MARKET PRICES AND DIVIDENDS

The following table presents, for the periods indicated, the per-share high and low sales prices for First Fidelity Common Stock, as reported on the NYSE composite transactions tape, and for Peoples Common Stock, as reported on the NASDAQ-NMS, as well as dividends paid by First Fidelity and Peoples in the respective quarters.

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	FIRST FIDELITY COMMON STOCK			PEOPLES COMMON STOCK		
CALENDAR PERIOD	HIGH	LOW	DIVIDENDS	HIGH	LOW	DIVIDENDS
<S>	<C>	<C>	<C>	<C>	<C>	<C>
1991:						
First Quarter.........................	$26.000	$14.000	$ .30	$15.500	$ 8.000	$ .12
Second Quarter........................	30.250	23.750	.30	16.750	13.500	.12
Third Quarter.........................	34.500	27.250	.30	15.500	13.250	.12
Fourth Quarter........................	33.125	26.625	.30	14.750	9.250	.12
1992:						
First Quarter.........................	$36.125	$30.500	$ .30	$15.750	$10.500	$ .12
Second Quarter........................	38.500	32.125	.30	19.500	14.000	.12
Third Quarter.........................	39.375	33.750	.30	20.250	16.250	.12
Fourth Quarter........................	46.000	34.500	.33*	24.000	18.750	.15**
1993:						
First Quarter.........................	$52.250	$42.875	$ .33	$44.250	$22.250	$ .15
Second Quarter........................	51.000	42.375	.37*	44.500	36.500	.15
Third Quarter.........................	49.500	45.375	.37	40.750	39.250	.15
Fourth Quarter***.....................	47.000	40.125	.37	41.250	37.250	.15

</TABLE>

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* On October 15, 1992, First Fidelity raised its regular quarterly dividend on First Fidelity Common Stock to $.33 per share, and on April 20, 1993, First Fidelity again raised its regular quarterly dividend on First Fidelity Common Stock, to $.37 per share.

** On October 20, 1992, Peoples raised its regular quarterly dividend on Peoples Common Stock to $.15 per share.

*** Information is provided through December 30, 1993. Trading in Peoples Common Stock was halted as of the close of business on December 29, 1993.

COMPARATIVE PER SHARE DATA

The following table sets forth certain historical per share, pro forma combined per share and pro forma equivalent per share information with respect to First Fidelity Common Stock and Peoples Common Stock for the year ended December 31, 1992 and the nine months ended September 30, 1993. The pro forma equivalent per share information for the Peoples Common Stock reflects the pro forma effects of the Merger and the acquisition by First Fidelity of Northeast Bancorp, Inc. ("Northeast") for the holder of one share of Peoples Common Stock which is converted into First Fidelity Common Stock based on the Exchange Ratio. First Fidelity acquired Northeast on May 4, 1993. The information set forth below should be read in conjunction with the historical and financial information of First Fidelity, Northeast and Peoples incorporated by reference herein or appearing elsewhere in this Supplement and the Proxy Statement-Prospectus. See "INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE" in this Supplement and Appendix A hereto and "THE PARTIES" and "INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE" in the Proxy Statement-Prospectus and Appendices C-1, C-2 and C-3 thereto.

<TABLE>
<CAPTION>

	PER COMMON SHARE				
	HISTORICAL			PRO FORMA	
	PEOPLES	FIRST FIDELITY	NORTHEAST	COMBINED(1)	EQUIVALENT PER PEOPLES SHARE(2)
<S>	<C>	<C>	<C>	<C>	<C>
For the year ended December 31, 1992:					
Net Income (Loss):					
Primary	$ 1.34	$ 3.89	$(10.53)	$ 2.66	$ 2.50
Fully diluted	1.34	3.77	(10.53)	2.62	2.46
Cash dividends declared	.51	1.23	--	1.23	1.15
Book value at end of period	31.29	27.33	12.62	27.80	26.10
For the nine months ended September 30, 1993:					
Income from Continuing Operations(3):					
Primary	$ .01	$ 3.43	$ .24	$ 3.14	$ 2.95
Fully diluted	.01	3.37	.24	3.09	2.90
Cash dividends declared	.45	1.07	--	1.07	1.00
Book value at end of period	31.75	30.07	N/A	30.35	28.50

</TABLE>

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(1) The Merger is a business combination accounted for by the purchase method. Accordingly, purchase accounting adjustments consisting of mark-to-market valuation adjustments for significant tangible net assets acquired and adjustments for intangible assets established, and the resultant amortization/accretion of all such adjustments over appropriate periods have been reflected. The table also includes the effect of the acquisition of Northeast, which was also accounted for as a purchase. The combined amounts also assume that the percentage of shares of Peoples Common Stock exchanged for First Fidelity Common Stock is approximately 46% and that the Exchange Ratio is 0.9390. See "THE MERGER -- Merger Consideration."
(2) The Peoples pro forma equivalent per-share amounts are calculated by multiplying pro forma combined per-share amounts by an Exchange Ratio of 0.9390. See "THE MERGER -- Merger Consideration."
(3) Computations are based on Net Income from Continuing Operations before the cumulative effect of changes in accounting principles.

SELECTED FINANCIAL DATA OF FIRST FIDELITY

The following is selected consolidated financial data for First Fidelity and its subsidiaries for the nine-month periods ended September 30, 1993 and 1992 and for each of the five years ended December 31, 1988 through 1992. The consolidated financial information for the nine-month periods ended September 30, 1993 and 1992 has not been audited, but in the opinion of the management of First Fidelity, all adjustments necessary for a fair presentation have been included. All such adjustments are of a normal, recurring nature, other than the adjustments made for the cumulative effect of changes in accounting principles described in note 3 to the table below. The results of operations for the nine months ended September 30, 1993 are not necessarily indicative of the results of operations that may be expected for the entire year. The data is qualified in its entirety by the detailed information and financial statements included in the First Fidelity documents incorporated by reference herein, available as described above under "INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE," and the other information contained or incorporated by reference elsewhere in this Supplement and the Proxy Statement-Prospectus.

<TABLE>
<CAPTION>

	NINE MONTHS ENDED SEPTEMBER 30,		YEAR ENDED DECEMBER 31,				
	1993	1992	1992	1991	1990	1989	1988
	(DOLLARS IN THOUSANDS)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
SUMMARY OF OPERATIONS:							
Interest income (taxable-equivalent)(1)	$1,565,420	$1,624,093	$2,168,744	$2,431,462	$2,773,458	$2,753,913	$2,602,581
Interest expense	529,107	709,436	920,712	1,327,889	1,712,137	1,693,812	1,502,302

Net interest income (taxable-equivalent)(1)	1,036,313	914,657	1,248,032	1,103,573	1,061,321	1,060,101	1,100,279
Less: tax equivalent adjustment(1)	26,382	30,326	39,463	47,502	53,890	76,136	85,869
Net interest income	1,009,931	884,331	1,208,569	1,056,071	1,007,431	983,965	1,014,410
Provision for possible credit losses	119,000	176,000	228,000	298,000	498,000	200,254	289,461
Net interest income after provision for possible credit losses	890,931	708,331	980,569	758,071	509,431	783,711	724,949
Net securities transactions	3,921	4,905	4,825	53,566	24,387	18,244	4,653
Other non-interest income(2)	277,428	240,434	327,551	340,124	338,083	332,006	284,084
Non-interest expense	752,379	670,983	916,846	871,747	883,151	945,797	935,087
Income (loss) before income taxes (benefit) and cumulative effect of changes in accounting principles	419,901	282,687	396,099	280,014	(11,250)	188,164	78,599
Income taxes (benefit)	127,818	58,546	82,362	58,773	(5,125)	28,616	44,680
Income (loss) before cumulative effect of changes in accounting principles	292,083	224,141	313,737	221,241	(6,125)	159,548	33,919
Cumulative effect of changes in accounting principles, net of tax(3)	2,373	--	--	--	--	--	--
Net Income (Loss)	294,456	224,141	313,737	221,241	(6,125)	159,548	33,919
Dividends on preferred stock	15,523	15,840	21,061	17,176	13,283	13,343	17,981
Net Income (Loss) Applicable to First Fidelity Common Stock	$ 278,933	$ 208,301	$ 292,676	$ 204,065	$ (19,408)	$ 146,205	$ 15,938

</TABLE>

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(1) Information presented herein on a taxable equivalent basis represents income that is exempt from federal income taxes or taxed at a preferential rate, such as interest on state and municipal securities, adjusted to a taxable-equivalent basis using a federal income tax rate of 35% for 1993 and 34% for 1992 and prior years.
(2) Non-interest income less net securities transactions.
(3) Cumulative effect at January 1, 1993 of changes in accounting principles for postretirement benefits, postemployment benefits and income taxes, net of income tax.

<TABLE>
<CAPTION>

	NINE MONTHS ENDED SEPTEMBER 30,		YEAR ENDED DECEMBER 31,				
	1993	1992	1992	1991	1990	1989	1988
			(DOLLARS IN THOUSANDS)				
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
PER COMMON SHARE:							
Net Income (Loss):							
Primary:							
Before cumulative effect of changes in accounting principles	$ 3.43	$ 2.80	$ 3.89	$ 3.37	$ (.33)	$ 2.51	$ .29
Cumulative effect of changes in accounting principles, net of tax	.03	--	--	--	--	--	--
Net income (loss)	3.46	2.80	3.89	3.37	(.33)	2.51	.29
Fully diluted(1):							
Before cumulative effect of changes in accounting principles	3.37	2.76	3.77	3.31	--	--	--
Cumulative effect of changes in accounting principles, net of tax	.03	--	--	--	--	--	--
Net income	3.40	2.76	3.77	3.31	--	--	--
Dividends(2)	1.07	.90	1.23	1.20	1.10	2.00	1.92
Book value (at period-end)	30.07	26.50	27.33	24.35	22.22	24.07	23.52
Average shares outstanding:							
Primary	80,579,969	74,415,982	75,219,642	60,562,567	59,189,692	58,266,909	54,826,319
Fully diluted	84,359,232	78,230,227	80,523,116	64,785,955	63,005,045	62,082,312	61,654,603

</TABLE>

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(1) Anti-dilutive in years prior to 1991.
(2) Represents the historical dividend of a predecessor corporation for the first quarter of 1988. As a result of a change in the schedule of First Fidelity Common Stock dividend declaration dates in 1990, the fourth quarter of 1990 regular First Fidelity Common Stock dividend was declared January

17, 1991, payable on February 8, 1991, to shareholders of record on January 28, 1991.

SELECTED FINANCIAL DATA OF FIRST FIDELITY (CONTINUED)

	NINE MONTHS ENDED SEPTEMBER 30,		YEAR ENDED DECEMBER 31,				
	1993	1992	1992	1991	1990	1989	1988
	(DOLLARS IN THOUSANDS)						
RATIOS:							
Capital ratios at period-end: (regulatory minimum in parentheses):							
Tier I Capital/Risk-Adjusted Assets (4.0%)(1)	10.44%	10.44%	9.93%	8.65%	5.92%	5.62%	N/A
Total Risk-Based Capital/Risk-Adjusted Assets (8.0%)(1)	13.98	14.05	13.35	12.47	9.89	9.61	N/A
Tier I Capital/Total Assets Less Intangibles (Leverage Ratio) (3.0% to 5.0%)(1)	7.20	6.76	6.47	5.98	4.31	4.46	N/A
Performance ratios:							
Return on average assets(2)	1.26	1.03	1.06	0.77	(0.02)	0.55	0.12%
Return on average stockholders' equity(2)	16.29	14.80	15.18	13.69	(0.40)	10.13	2.03
Return on average common stockholders' equity(3)	17.07	15.54	15.96	14.35	(1.42)	10.31	1.08
Average stockholders' equity to average assets	7.73	6.98	7.01	5.63	5.10	5.47	5.69
Common dividend payout(4)(5)	31	32	30	35	--	80	662
FINANCIAL CONDITION AT PERIOD-END:							
Assets	$32,602,706	$28,866,745	$31,480,297	$30,215,229	$29,110,344	$30,727,815	$29,776,982
Loans	20,275,840	16,673,476	18,377,695	17,341,517	18,530,304	19,631,808	19,537,090
Deposits	27,378,006	23,595,758	27,004,835	25,218,550	23,080,110	22,872,460	21,562,439
Long-term debt	613,184	589,543	581,508	918,885	1,116,987	780,438	563,094
Preferred stock	230,422	232,236	232,172	232,236	157,271	157,271	157,273
Common stockholders' equity	2,397,466	1,889,116	2,025,478	1,712,546	1,325,182	1,407,695	1,356,619

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(1) For 1993 and December 31, 1992, gives effect to recent changes to the risk-based and leverage ratio calculations requiring the deduction of intangibles except for limited amounts of purchased mortgage servicing rights and purchased credit card rights and certain previously recorded goodwill and other intangibles.
(2) Net income (loss) after cumulative effect of changes in accounting principles.
(3) Net income (loss) applicable to First Fidelity Common Stock after cumulative effect of changes in accounting principles.
(4) For the nine months ended September 30, 1993, dividend paid ($1.07) divided by primary net income after cumulative effect of changes in accounting principles.
(5) Not statistically meaningful in 1990.

SELECTED FINANCIAL DATA OF PEOPLES

The following is selected consolidated financial data for Peoples and its subsidiaries for the nine-month periods ended September 30, 1993 and 1992 and for each of the five years ended December 31, 1988 through 1992. The consolidated financial information for the nine-month periods ended September 30, 1993 and 1992 has not been audited, but in the opinion of the management of Peoples, all adjustments necessary for a fair presentation have been included. All such adjustments are of a normal, recurring nature, other than the adjustments made for the cumulative effect of the change in the accounting principle described in note 2 to the table below. The results of operations for the nine months ended September 30, 1993 are not necessarily indicative of the results of operations that may be expected for the entire year. The data is qualified in its entirety by the detailed information and financial statements included in the Peoples Form F-4 appearing as Appendix A to this Supplement and the Peoples Form F-2 and the Financial Section of the Peoples 1992 Annual Report appearing as Appendices C-1 and C-2, respectively, to the Proxy Statement-Prospectus, and the other information contained in this Supplement and the Proxy Statement-Prospectus.

	NINE MONTHS ENDED SEPTEMBER 30, 1993	NINE MONTHS ENDED SEPTEMBER 30, 1992	YEAR ENDED DECEMBER 31, 1992	1991	1990	1989	1988
	(DOLLARS IN THOUSANDS)						
SUMMARY OF OPERATIONS:							
Interest and dividend income(1)	$84,616	$101,928	$133,252	$148,892	$153,740	$153,787	$136,292
Interest expense	36,067	50,326	63,960	90,769	100,556	102,154	84,591
Net interest income	48,549	51,602	69,292	58,123	53,184	51,633	51,701
Provision for loan losses	(13,000)	(6,425)	(8,995)	(7,885)	(4,125)	(2,370)	(1,300)
Net interest income after provision for loan losses	35,549	45,177	60,297	50,238	49,059	49,263	50,401
Net investment security gains (losses)	279	(443)	515	3,958	2,711	2,944	1,828
Other non-interest income	4,722	4,325	6,490	5,661	4,152	4,815	4,710
Non-interest expense	40,675	38,353	51,454	49,731	47,621	39,760	34,419
(Loss) income before income tax (benefit) expense and cumulative effect of change in accounting principle and extraordinary item	(125)	10,706	15,848	10,126	8,301	17,262	22,520
Income tax (benefit) expense	(209)	5,794	8,728	5,500	5,116	7,175	8,557
Income before cumulative effect of change in accounting principle and extraordinary item	84	4,912	7,120	4,626	3,185	10,087	13,963
Cumulative effect of change in accounting for income taxes(2)	4,933	--	--	--	--	--	--
Extraordinary item -- Federal income tax benefit from utilization of net operating loss carryforwards	--	--	--	--	--	--	340
Net income	$ 5,017	$ 4,912	$ 7,120	$ 4,626	$ 3,185	$ 10,087	$ 14,303

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(1) Interest and dividend income is not shown on a tax-equivalent basis, as the effect thereof is not material.
(2) Cumulative effect at January 1, 1993 of change in accounting principle for income taxes.

	NINE MONTHS ENDED SEPTEMBER 30, 1993	NINE MONTHS ENDED SEPTEMBER 30, 1992	YEAR ENDED DECEMBER 31, 1992	1991	1990	1989	1988
	(DOLLARS IN THOUSANDS)						
PER COMMON SHARE(1):							
Net income:							
Primary and fully diluted:							
Income before cumulative effect of change in accounting principle and extraordinary item	$ .01	$ .93	$ 1.34	$ .87	$ .60	$ 1.90	$ 2.64
Cumulative effect of change in accounting for income taxes	.87	--	--	--	--	--	--
Extraordinary item -- Federal income tax benefit from utilization of net operating loss carryforwards	--	--	--	--	--	--	.06
Net income	.88	.93	1.34	.87	.60	1.90	2.70
Dividends	.45	.36	.51	.48	.48	.42	.10
Book value (at period-end)	31.75	31.06	31.29	30.09	29.51	30.38	28.50
Average shares outstanding:							
Primary and fully diluted	5,681,233	5,307,919	5,308,933	5,307,863	5,307,863	5,307,651	5,306,502

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(1) Shares subject to option under Peoples' stock option plan are considered common stock equivalents for earnings per share calculations; however, these options had no material dilutive effect prior to 1993.

SELECTED FINANCIAL DATA OF PEOPLES (CONTINUED)

<TABLE>
<CAPTION>

	NINE MONTHS ENDED SEPTEMBER 30,		YEAR ENDED DECEMBER 31,				
	1993	1992	1992	1991	1990	1989	1988
				(DOLLARS IN THOUSANDS)			
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
RATIOS:							
Capital ratios at period-end:							
(regulatory minimum in parentheses):							
Tier 1 Capital/Risk-Adjusted Assets (4.0%)............................	15.41%	13.07%	13.71%	11.60%	12.61%	N/A	N/A
Total Risk-Based Capital/Risk-Adjusted Assets (8.0%)............................	16.58	13.80	14.53	12.21	13.22	N/A	N/A
Tier 1 Capital/Total Assets Less Intangibles (Leverage Ratio) (3.0% to 5.0%)..........................	10.11	9.07	9.11	8.60	9.44	9.59%	9.14%
Performance ratios:							
Return on average assets(1)..........	.38	.36	0.40	0.27	0.19	0.61	0.92
Return on average stockholders' equity(1)..........................	3.90	4.07	4.41	2.87	1.96	6.40	9.94
Average stockholders' equity to average assets.....................	9.82	8.92	8.99	9.32	9.67	9.51	9.29
Common dividend payout...............	48.46	38.90	38.03	55.08	80.00	21.33	3.53
FINANCIAL CONDITION AT PERIOD-END:							
Assets................................	$1,696,708	$1,785,361	$1,797,273	$1,814,575	$1,658,946	$1,681,122	$1,654,625
Loans.................................	950,687	1,027,030	980,767	1,096,614	1,015,327	995,787	1,067,027
Deposits..............................	1,447,892	1,541,418	1,551,499	1,578,210	1,404,383	1,402,665	1,329,954
Stockholders' equity..................	173,590	164,867	166,262	159,722	156,634	161,253	151,264

</TABLE>

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(1) Net income after cumulative effect of change in accounting principle and extraordinary item.

INTRODUCTION

This Supplement contains important information for the holders of record of Peoples Common Stock as of December 30, 1993 concerning the elections to be made in connection with the Merger.

PLEASE READ THIS SUPPLEMENT AND THE PROXY STATEMENT-PROSPECTUS CAREFULLY. THE FAILURE OF A PEOPLES SHAREHOLDER OF RECORD TO PROPERLY COMPLETE AND DELIVER THE ACCOMPANYING ELECTION FORM, TOGETHER WITH CERTIFICATES REPRESENTING THE SHARES OF PEOPLES COMMON STOCK TO WHICH THAT ELECTION FORM RELATES, TO ONE OF THE PROPER LOCATIONS SPECIFIED BELOW BY 5:00 P.M., NEW YORK TIME, ON FEBRUARY 2, 1994 (THE "ELECTION DEADLINE") AND TO COMPLY WITH THE PROCEDURES DESCRIBED IN THIS SUPPLEMENT AND THE INSTRUCTIONS TO THE ELECTION FORM WILL CAUSE SUCH SHAREHOLDER TO BE DEEMED TO HAVE EXPRESSED NO PREFERENCE AND TO RECEIVE EITHER CASH OR FIRST FIDELITY COMMON STOCK, DEPENDING UPON THE ELECTIONS MADE BY OTHER PEOPLES SHAREHOLDERS. IF A SHAREHOLDER IS DEEMED TO HAVE EXPRESSED NO PREFERENCE AND IF EITHER THE NUMBER OF SHARES OF PEOPLES COMMON STOCK WITH RESPECT TO WHICH CASH ELECTIONS ARE MADE EXCEEDS THE NUMBER OF SHARES WHICH CAN BE CONVERTED INTO CASH OR THE NUMBER OF SHARES OF PEOPLES COMMON STOCK WITH RESPECT TO WHICH STOCK ELECTIONS ARE MADE EXCEEDS THE NUMBER OF SHARES WHICH CAN BE CONVERTED INTO SHARES OF FIRST FIDELITY COMMON STOCK, SUCH SHAREHOLDER WILL RECEIVE THE FORM OF CONSIDERATION THAT WAS NOT OVERSUBSCRIBED.

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IMPORTANT: To make a valid election, record holders of Peoples Common Stock as of December 30, 1993 must complete and return the accompanying Election Form and the certificates with respect to all of the shares of Peoples Common Stock to which the Election Form relates, in accordance with the instructions on the Election Form. A properly completed Election Form must be received by the Exchange Agent at one of the proper locations specified in the Election Form by the Election Deadline (5:00 P.M., New York Time, on February 2, 1994) together with certificate(s) representing all of the Peoples Common Stock to which the Election Form relates (see Instructions to the accompanying Election Form).

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ALL ELECTION FORMS MUST BE ACTUALLY RECEIVED BY THE EXCHANGE AGENT AT ONE OF THE PROPER LOCATIONS LISTED BELOW BY THE ELECTION DEADLINE. THE EXCHANGE

AGENT AND THE PROPER LOCATIONS ARE:

FIRST FIDELITY BANK, N.A., NEW JERSEY

By Hand/Overnight Delivery:	By Mail:
First Fidelity Bank, N.A., New Jersey	First Fidelity Bank, N.A., New Jersey
Corporate Trust/	P.O. Box 1380
Reorganization Department	Newark, New Jersey 07101
10 Bank Street, 4th Floor	
Newark, New Jersey 07102	

It is recommended that certificates be sent via certified mail and appropriately insured.

If you have any questions, you should contact the Exchange Agent toll-free at (800) 458-0924.

Stock certificates representing the shares of First Fidelity Common Stock issued in the Merger, checks in payment of fractional shares, and checks in payment of cash paid in the Merger are expected to be distributed to holders of First Fidelity Common Stock within ten (10) business days after the Election Deadline.

SUMMARY OF THE MERGER

CONSUMMATION

The Merger of Peoples with and into FFB-NY was consummated on December 30, 1993 pursuant to the terms contained in the Merger Agreement and as described in the Proxy Statement-Prospectus. See "THE MERGER -- the Merger" in the Proxy Statement-Prospectus.

CONSIDERATION FOR PEOPLES SHARES

The Merger Agreement provides that upon consummation of the Merger, and subject to the election and allocation procedures provided for therein and described herein, all the issued and outstanding shares of Peoples Common Stock held by a holder of Peoples Common Stock immediately prior to the Effective Time were converted into the right to receive for each share of Peoples Common Stock either (i) $40.86 in cash without interest (such cash amount being hereinafter referred to as the "Cash Price") or (ii) 0.9390 of a share of First Fidelity Common Stock and cash in lieu of fractional shares (such number of shares being hereinafter referred to as the "Exchange Ratio" or the "Stock Consideration").

Pursuant to and as provided in the Merger Agreement, the number of shares of Peoples Common Stock to be converted into the right to receive cash in the Merger has been fixed at approximately 3.0 million shares (the "Cash Conversion Number"), or approximately 54% of the Peoples shares outstanding, and the number of shares of Peoples Common Stock to be converted into the right to receive shares of First Fidelity Common Stock in the Merger has been fixed at approximately 2.6 million shares (the "Stock Conversion Number"), or approximately 46% of the Peoples shares outstanding. See "ELECTION AND ALLOCATION PROCEDURES."

Depending upon the market value of First Fidelity Common Stock at the time of receipt, it is possible that the market value of the First Fidelity Common Stock to be received for each share of Peoples Common Stock will be worth more or less than the $40.86 to be received under the Cash Price alternative. Based upon the closing price of First Fidelity Common Stock of $45.50 on December 30, 1993 and on the exchange ratio of 0.9390 of a share of First Fidelity Common Stock, the market value of the First Fidelity Common Stock to be received would be $42.72 per share of Peoples Common Stock. As the market price for First Fidelity Common Stock is likely to fluctuate, a shareholder should consider current price information prior to making an election. In addition, shareholders who receive First Fidelity Common Stock can expect to receive the dividend typically declared by First Fidelity in January and payable in early February. The foregoing discussion does not take into account various factors that may affect the value to a particular Peoples shareholder of any consideration received, including, for example, federal, state and local tax consequences. See "FEDERAL INCOME TAX CONSEQUENCES."

ELECTION AND ALLOCATION PROCEDURES

The following is a summary of information concerning the election and allocation procedures which are applicable to the Merger. The procedures for completing the enclosed Election Form are described in detail in such Election Form and the accompanying instructions, which shareholders are urged to read carefully. The terms of such conversion and such procedures are set forth in the

Merger Agreement and are also described in the Proxy Statement-Prospectus under the heading "THE MERGER."

DESCRIPTION OF ELECTIONS

Each record holder of Peoples Common Stock as of December 30, 1993 is requested to indicate, by completing and delivering to the Exchange Agent an Election Form, whether such shareholder would prefer to make a (i) cash election ("Cash Election" or "Peoples Cash Election Shares"), (ii) a stock election ("Stock Election" or "Peoples Stock Election Shares") or (iii) to indicate that such holder makes no election ("No Election" or "Peoples No-Election Shares"). Such elections will be subject to the allocation procedures described below. Failure to make an election, as well as an ineffective election, will result in a record holder's shares being deemed Peoples No-Election Shares. See "ELECTION AND ALLOCATION PROCEDURES."

Each holder of record is entitled to make an election and submit an Election Form covering all shares of Peoples Common Stock actually held of record by such holder. Nominee record holders, which includes any nominee, any trustee or any other person that holds shares of Peoples Common Stock in any capacity whatsoever on behalf of another person or entity, are entitled to make an election for such nominee record holder as well as an election on behalf of each beneficial owner of shares of Peoples Common Stock held through such nominee record holder, but such election must be made on one Election Form. Beneficial owners who are not record holders are not entitled to submit Election Forms.

Pursuant to and as provided in the Merger Agreement, the number of shares of Peoples Common Stock to be converted into the right to receive cash in the Merger has been fixed at approximately 3.0 million shares (the "Cash Conversion Number"), or approximately 54% of the Peoples shares outstanding, and the number of shares of Peoples Common Stock to be converted into the right to receive First Fidelity Common Stock in the Merger has been fixed at approximately 2.6 million shares (the "Stock Conversion Number"), or approximately 46% of the Peoples shares outstanding. The actual numbers of shares of Peoples Common Stock to be converted into cash or First Fidelity Common Stock may vary slightly from such numbers. Accordingly, there can be no assurance that each Peoples shareholder will receive the form of consideration which such holder elects. In the event that the elections result in an oversubscription of either First Fidelity Common Stock or cash, the procedures for allocating First Fidelity Common Stock and cash, described below under "Allocation," will be followed by the Exchange Agent.

Neither a Cash Election nor a Stock Election will be effective if the Election Form is not properly completed and signed by each holder of record of Peoples Common Stock as of December 30, 1993, and actually received by the Exchange Agent at one of the proper locations specified in the Election Form by the Election Deadline. For a Cash Election or a Stock Election to be effective, a properly completed and signed Election Form must be received on time and be accompanied by the certificate or certificates representing all of the Peoples Common Stock held of record by the holder of record submitting the Election Form. If a certificate for Peoples Common Stock has been lost, stolen or destroyed, the holder is requested to immediately contact the Exchange Agent for instructions as to how to submit a valid election. See Instruction 12 set forth in the accompanying Election Form. THE ELECTION DEADLINE IS 5:00 P.M., NEW YORK TIME, ON FEBRUARY 2, 1994. Shareholders who indicate No Election on the Election Form are also asked to send in the certificate or certificates representing their Peoples Common Stock when they return their completed Election Form. Any Cash Election, Stock Election or No Election may be revoked, but only by written notice actually received by the Exchange Agent at one of the proper locations specified in the Election Form by February 2, 1994.

First Fidelity has the discretion, which it may delegate in whole or in part to the Exchange Agent, to determine whether Election Forms have been properly completed, signed and submitted or revoked and to disregard immaterial defects in Election Forms and revocations. The decisions of First Fidelity or of the Exchange Agent with respect to the effectiveness of any Election Form will be conclusive and binding. Allocations will be made by the Exchange Agent and will be conclusive and binding on holders of Peoples Common Stock.

IF A SHAREHOLDER DOES NOT MAKE AN EFFECTIVE CASH ELECTION, STOCK ELECTION OR NO ELECTION (WHICH WOULD RESULT, FOR EXAMPLE, FROM THE FAILURE TO SEND TO THE EXCHANGE AGENT CERTIFICATES REPRESENTING PEOPLES COMMON STOCK WITH A PROPERLY COMPLETED ELECTION FORM OR FROM THE EXCHANGE AGENT NOT ACTUALLY RECEIVING THE PROPER DOCUMENTS AT ONE OF THE PROPER LOCATIONS SPECIFIED IN THE ELECTION FORM BY THE ELECTION DEADLINE), THE SHAREHOLDER WILL BE DEEMED NOT TO HAVE MADE AN ELECTION AND WILL BE DEEMED TO HAVE INDICATED NO ELECTION WITH RESPECT TO RECEIVING EITHER FIRST FIDELITY COMMON STOCK OR CASH FOR ALL OF SUCH SHAREHOLDER'S SHARES. NEITHER FIRST FIDELITY NOR THE EXCHANGE AGENT WILL BE UNDER ANY OBLIGATION TO NOTIFY ANY PERSON OF ANY DEFECT IN AN ELECTION FORM OR REVOCATION SUBMITTED TO THE EXCHANGE AGENT.

In determining whether to make a Cash Election, a Stock Election or No Election, shareholders of Peoples should consult their own financial and tax advisors. NO RECOMMENDATION IS MADE WITH RESPECT TO WHETHER A CASH ELECTION, STOCK ELECTION OR NO ELECTION SHOULD BE MADE.

ALLOCATION

Within five business days after the Election Deadline, the Exchange Agent will be required to effectuate the allocation among holders of Peoples Common Stock to receive First Fidelity Common Stock or cash in the Merger, as described below.

If the number of Peoples Stock Election Shares is less than the Stock Conversion Number (which, pursuant to the Merger Agreement, has been fixed at approximately 2.6 million shares, or approximately 46% of the Peoples shares outstanding), then:

(i) all Peoples Stock Election Shares will be converted into First Fidelity Common Stock;

(ii) the Exchange Agent will select first from among the holders of Peoples No-Election Shares and then (if necessary) from among the holders of Peoples Cash Election Shares, by random selection, a sufficient number of such holders ("Stock Designees") so that the number of shares of Peoples Common Stock held by the Stock Designees will, when added to the number of Peoples Stock Election Shares, equal as closely as practicable the Stock Conversion Number, and all shares held by the Stock Designees will be converted into First Fidelity Common Stock; and

(iii) the Peoples Cash Election Shares and the Peoples No-Election Shares not held by Stock Designees will be converted into cash.

If the number of Peoples Stock Election Shares is greater than the Stock Conversion Number (which, pursuant to the Merger Agreement, has been fixed at approximately 2.6 million shares or approximately 46% of the Peoples shares outstanding), then:

(i) all Peoples Cash Election Shares will be converted into cash;

(ii) the Exchange Agent will select first from among the holders of Peoples No-Election Shares and then (if necessary) from among the holders of Peoples Stock Election Shares, by random selection, a sufficient number of such holders ("Cash Designees") so that the number of shares of Peoples Common Stock held by the Cash Designees will, when added to the number of Peoples Cash Election Shares, equal as closely as practicable the Cash Conversion Number, and all shares held by the Cash Designees will be converted into the right to receive cash; and

(iii) the Peoples Stock Election Shares and Peoples No-Election Shares not held by Cash Designees will be converted into First Fidelity Common Stock.

If the number of Peoples Stock Election Shares is equal or nearly equal (as determined by the Exchange Agent) to the Stock Conversion Number, then all Peoples Stock Election Shares will be converted into First Fidelity Common Stock, and all Peoples Cash Election Shares and Peoples No-Election Shares will be converted into the right to receive cash.

If the number of Peoples Cash Election Shares is equal or nearly equal (as determined by the Exchange Agent) to the Cash Conversion Number, then all Peoples Cash Election Shares will be converted into the right to receive cash, and all Peoples Stock Election Shares and Peoples No-Election Shares will be converted into First Fidelity Common Stock.

In the event that both the number of Peoples Cash Election Shares is less than the Cash Conversion Number and the number of Peoples Stock Election Shares is less than the Stock Conversion Number, then all Peoples Cash Election Shares will be converted into the right to receive cash and all Peoples Stock Election Shares will be converted into the right to receive First Fidelity Common Stock. All other shares of Peoples Common Stock will be converted into the right to receive cash or First Fidelity Common Stock by random selection so that the Stock Conversion Number and the Cash Conversion Number are equalled as closely as possible.

As agreed upon by Peoples and First Fidelity, the random selection process to be used by the Exchange Agent for purposes of the foregoing will consist of drawing by lot or such other process as the Exchange Agent deems equitable and necessary to effect such allocations.

ISSUANCE OF STOCK AND PAYMENT OF CASH TO EXCHANGE AGENT

On the Effective Date, First Fidelity issued to the Exchange Agent 2,442,083 shares of First Fidelity Common Stock and $122,853,990 of cash payable in the Merger. Upon completion of the allocation procedure described above, First Fidelity will, if necessary, issue to the Exchange Agent additional shares of First Fidelity Common Stock in exchange for cash or will pay to the Exchange Agent additional cash in exchange for First Fidelity Common Stock, as may be required to effect the conversion of Peoples Common Stock as contemplated by the Merger Agreement. The Exchange Agent will not be entitled to vote or exercise any rights of ownership with respect to the shares of First Fidelity Common Stock held by it pursuant to the

Merger Agreement, except that it will receive and hold all dividends or other distributions paid or distributed with respect to such shares for the account of the persons entitled thereto.

DELIVERY OF FIRST FIDELITY COMMON STOCK AND CASH

On December 30, 1993, holders of certificates representing Peoples Common Stock ceased to have any rights as shareholders of Peoples and now only have the right to receive the cash or First Fidelity Common Stock into which their Peoples Common Stock are to be converted. First Fidelity will mail a Letter of Transmittal (for use in submitting to the Exchange Agent certificates which represented Peoples Common Stock prior to the Merger) as promptly as practicable after the Election Deadline to all Peoples shareholders of record on December 30, 1993 who do not submit such certificates to the Exchange Agent in connection with the Election Form. No further action will be required of those record holders of Peoples Common Stock who submit such certificates to the Exchange Agent with their Election Form.

After the completion of the foregoing allocation, each holder of an outstanding certificate or certificates, which prior thereto represented outstanding shares of Peoples Common Stock, who surrenders to the Exchange Agent such certificate or certificates, will be entitled, upon acceptance of such certificates by the Exchange Agent, to (i) a certificate or certificates representing the number of full shares of First Fidelity Common Stock or the amount of cash into which the aggregate number of shares of Peoples Common Stock previously represented by such certificate or certificates surrendered has been converted pursuant to the Merger Agreement and (ii) any other distribution theretofore paid with respect to the First Fidelity Common Stock issuable to such holder in the Merger, if such holder's shares of Peoples Common Stock have been converted into First Fidelity Common Stock in the Merger, in each case without interest. The Exchange Agent will accept such certificates upon compliance with such reasonable terms and conditions as the Exchange Agent may impose to effect an orderly exchange thereof in accordance with normal exchange practices.

No holder of certificates formerly representing Peoples Common Stock will be entitled to receive either cash or First Fidelity Common Stock until he or she surrenders such certificates to the Exchange Agent and no interest will accrue in respect thereof. Each share of First Fidelity Common Stock for which shares of Peoples Common Stock are exchanged in the Merger will be deemed to have been issued on December 30, 1993. Accordingly, Peoples shareholders who receive First Fidelity Common Stock in the Merger will be entitled to receive any dividends or other distributions, without interest and less any applicable withholding taxes imposed thereon, which may be payable to holders of record of First Fidelity Common Stock after December 30, 1993. However, no dividends or other distributions will actually be paid on such First Fidelity Common Stock to any holder until the certificate or certificates formerly representing the Peoples Common Stock have been surrendered.

Stock certificates will not be delivered for fractional shares resulting from the exchange of Peoples Common Stock for First Fidelity Common Stock. Instead, each holder of Peoples Common Stock who would otherwise be entitled to a fractional share will receive in lieu thereof a check in an amount equal to such fractional share multiplied by $45.875.

It is expected that within ten business days after the Election Deadline, the Exchange Agent will distribute First Fidelity Common Stock and cash with respect to shares of Peoples Common Stock covered by effective Election Forms. No dividends which have been declared on First Fidelity Common Stock will be remitted to any person whose shares of Peoples Common Stock have been converted into shares of First Fidelity Common Stock in the Merger until such person surrenders the certificate or certificates previously representing Peoples Common Stock, at which time such dividends shall be remitted to such person without interest.

Neither First Fidelity nor the Exchange Agent will be liable to any former holder of Peoples Common Stock for any amount properly delivered to a public official pursuant to applicable abandoned property, escheat or similar laws.

COMPLETION OF THE ELECTION FORM

Elections by record holders of shares of Peoples Common Stock must be made by properly completing and signing an Election Form (a copy of which is enclosed) or a photocopy thereof, and delivering it to the Exchange Agent at one of the proper locations specified in the Election Form by the Election Deadline. Detailed instructions for completing the Election Form are set forth on the Election Form.

An election will have been validly made by a holder of shares of Peoples Common Stock only if that holder's properly completed and signed Election Form, accompanied by the certificates representing all shares of Peoples Common Stock to which such Election Form relates, is actually received by the Exchange Agent at one of the proper locations specified in the Election Form by the Election Deadline (5:00 P.M., New York Time, on February 2, 1994). See Instructions 1 and 3 to the Election Form.

Special rules are provided for elections made by nominee record holders. See Instruction 13 and Box A to the Election Form.

Peoples shareholders who have made elections will be permitted to change their elections or revoke their elections in accordance with the procedures and within the time deadlines set forth in Instruction 2 to the Election Form.

Peoples shareholders who wish to have certificates for First Fidelity Common Stock or checks for fractional shares or cash to be paid in the Merger issued in names or mailed to addresses different than those of the record holders of Peoples Common Stock must comply with Instruction 10 to the Election Form.

NO ELECTION WILL BE EFFECTIVE UNLESS (I) THE ELECTION FORM IS SIGNED BY A HOLDER OF RECORD OF PEOPLES COMMON STOCK AS OF DECEMBER 30, 1993, (II) THE ELECTION FORM IS PROPERLY COMPLETED AND ACCOMPANIED BY THE CERTIFICATE(S) REPRESENTING ALL OF THE SHARES OF PEOPLES COMMON STOCK TO WHICH THE ELECTION FORM RELATES AND (III) ALL SUCH MATERIALS ARE ACTUALLY RECEIVED BY THE EXCHANGE AGENT AT ONE OF THE PROPER LOCATIONS SPECIFIED IN THE ELECTION FORM BY THE ELECTION DEADLINE.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The following discussion of the principal federal income tax consequences of the Merger is based upon the provisions of the Code, the regulations thereunder, judicial authority, administrative rulings and practice as of the date hereof and the opinion of Wachtell, Lipton, Rosen & Katz ("Wachtell"). The following discussion does not address the federal income tax consequences to special classes of taxpayers, including, without limitation, foreign corporations, tax exempt entities and persons who acquired their Peoples Common Stock pursuant to the exercise of an employee option or otherwise as compensation. Each of First Fidelity and Peoples have received an opinion of Wachtell, counsel for Peoples, dated as of the Effective Date, substantially to the effect that the Merger will be treated as a reorganization within the meaning of Section 368(a) of the Code and, accordingly, no gain or loss will be recognized by Peoples, First Fidelity or FFB-NY as a result of the Merger. This discussion is based upon representations contained in certificates provided by officers of Peoples and First Fidelity, respectively. No ruling has been requested from the Internal Revenue Service (the "Service") with respect to the federal income tax consequences of the Merger.

Peoples shareholders are encouraged to consult a tax advisor concerning the federal income tax consequences of the Merger in their particular circumstances, as well as any tax consequences arising under foreign, state or local law.

EXCHANGE OF PEOPLES COMMON STOCK SOLELY FOR FIRST FIDELITY COMMON STOCK

A Peoples shareholder who, pursuant to the Merger, exchanges all of the Peoples Common Stock that such holder owns solely for First Fidelity Common Stock will not recognize any gain or loss upon such exchange. The aggregate tax basis of First Fidelity Common Stock received by such a holder in exchange for Peoples Common Stock will equal such holder's tax basis in the Peoples Common Stock surrendered. If such shares of Peoples Common Stock are held as capital assets at the Effective Time, the holding period of the

First Fidelity Common Stock received will include the holding period of the Peoples Common Stock surrendered therefor. Peoples shareholders should consult a tax advisor as to the determination of their tax basis and holding period in any one share of First Fidelity Common Stock, as several methods of determination may be available.

No fractional shares of First Fidelity Common Stock will be issued pursuant to the Merger. A Peoples shareholder who receives cash pursuant to the Merger in lieu of a fractional share interest will be treated as having received such fractional share pursuant to the Merger, and then as having exchanged such fractional share for cash in a redemption by First Fidelity subject to Section 302(a) of the Code, provided that such deemed redemption is "substantially disproportionate" with respect to such Peoples shareholder or is "not essentially equivalent to a dividend." If the First Fidelity Common Stock represents a capital asset in the hands of the shareholder, then the shareholder will generally recognize capital gain or loss on such a deemed redemption of the fractional share in an amount determined by the difference between the amount of cash received for such fractional share and the shareholder's tax basis in the fractional share.

EXCHANGE OF PEOPLES COMMON STOCK SOLELY FOR CASH

A Peoples shareholder who, pursuant to the Merger, exchanges such holder's Peoples Common Stock for cash will be treated as having had such Peoples Common Stock redeemed. Such deemed redemption will be subject to Section 302 of the Code, with the result that such a holder will recognize capital gain or loss equal to the difference between the amount of cash received and the holder's tax basis in the Peoples Common Stock exchanged if (x) the shares of Peoples Common Stock exchanged are held as capital assets at the Effective Time and (y) the deemed redemption is "substantially disproportionate" with respect to such holder or is "not essentially equivalent to a dividend." Peoples shareholders should consult a tax advisor concerning the possibility that all or a portion of any cash received in exchange for Peoples Common Stock will be treated as dividend income.

DISSENTERS' SHARES

Peoples shareholders who exercise appraisal rights will be treated as having received the fair value of the Peoples Common Stock, as determined in the appraisal rights proceeding, in redemption of the Peoples Common Stock subject to the proceeding. Such deemed redemption will be subject to Section 302(a) of the Code, if such deemed redemption is "substantially disproportionate" with respect to the Peoples shareholder who exercises appraisal rights or is "not essentially equivalent to a dividend," with the result that a holder who exercises appraisal rights will recognize gain or loss equal to the difference between the amount realized and such holder's tax basis in the Peoples Common Stock subject to the proceeding. Any such gain or loss recognized on such redemption will be treated as capital gain or loss if the Peoples Common Stock with respect to which appraisal rights were exercised were held as capital assets.

BACKUP WITHHOLDING

Unless an exemption applies under the applicable law and regulations, the Exchange Agent will be required to withhold 31 percent of any cash payments to which a stockholder or other payee is entitled pursuant to the Merger unless the stockholder or other payee provides its taxpayer identification number (social security number or employer identification number) and certifies that such number is correct. Each stockholder and, if applicable, each other payee should complete and sign the substitute Form W-9 included as part of the transmittal letter that accompanies the Election Form, so as to provide the information and certification necessary to avoid backup withholding, unless an applicable exemption exists and is established in a manner satisfactory to First Fidelity and the Exchange Agent.

THE FEDERAL INCOME TAX DISCUSSION SET FORTH ABOVE DOES NOT NECESSARILY SET FORTH ALL OF THE TAX CONSEQUENCES OF THE MERGER THAT MAY BE RELEVANT TO ALL PEOPLES SHAREHOLDERS IN ALL CIRCUMSTANCES. PEOPLES SHAREHOLDERS SHOULD THEREFORE CONSULT A TAX ADVISOR AS TO THE SPECIFIC TAX CONSEQUENCES OF THE MERGER IN THEIR PARTICULAR CIRCUMSTANCES, INCLUDING THE APPLICATION AND EFFECT OF FEDERAL, STATE, LOCAL AND OTHER TAX LAWS.

DESCRIPTION OF FIRST FIDELITY CAPITAL STOCK

See "DESCRIPTION OF FIRST FIDELITY CAPITAL STOCK" in the Proxy Statement-Prospectus.

CERTAIN REGULATORY CONSIDERATIONS

See "CERTAIN REGULATORY CONSIDERATIONS" in the Proxy Statement-Prospectus.

EXPERTS

The consolidated statements of condition of Peoples and its subsidiaries as of December 31, 1992 and 1991, and the related consolidated statements of income and changes in stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 1992, included in the Peoples Form F-2 for the year ended December 31, 1992, have been incorporated by reference herein in reliance upon the report of KPMG Peat Marwick, included in the Peoples Financial Section and upon the authority of KPMG Peat Marwick as experts in accounting and auditing.

The consolidated statements of condition of First Fidelity and its subsidiaries as of December 31, 1992 and 1991, and the related consolidated statements of income and changes in stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 1992, included in the First Fidelity Form 10-K and incorporated by reference in this Supplement, have been incorporated by reference herein in reliance upon the report of KPMG Peat Marwick, incorporated by reference herein, and upon the authority of KPMG Peat Marwick as experts in accounting and auditing.

The consolidated statements of condition of Northeast and its subsidiaries as of December 31, 1992 and 1991 and the related consolidated statements of income, changes in capital and cash flows for each of the years in the three-year period ended December 31, 1992 have been included in First Fidelity's Current Report on Form 8-K dated May 4, 1993, as amended by Form 8-K/A, filed with the Commission on June 2, 1993, which is incorporated by reference in this Supplement. Such financial statements have been so incorporated in reliance on the report (which contains an explanatory paragraph relating to Northeast's ability to continue as a going concern as described in Note 16 to Northeast's 1992 consolidated financial statements) of Price Waterhouse, independent accountants, given on the authority of said firm as experts in auditing and accounting.

Appendix A

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C. 20429

Form F-4

QUARTERLY REPORT

UNDER SECTION 13 OF THE
SECURITIES EXCHANGE ACT OF 1934 FOR
THE QUARTER ENDED SEPTEMBER 30, 1993

FDIC Insurance Certificate No. 16044

PEOPLES WESTCHESTER SAVINGS BANK
(Exact name of bank as specified in its charter)

Three Skyline Drive, Hawthorne, New York 10532
(Address of principal executive offices)

New York
(State or other jurisdiction of incorporation or organization)

13-1737024
(I.R.S. Employer Identification Number)

(914) 347-3800
(Bank's telephone number, including area code)

Indicate by check mark whether the Bank (1) has filed all reports required to be filed by Section 13 of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Bank was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate the number of shares outstanding of each of the Bank's classes of common stock, as of the latest practicable date:

5,470,702 shares of Common Stock, par value
$1.00 per share as of November 5, 1993

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ITEM I

CONSOLIDATED STATEMENTS OF CONDITION
Peoples Westchester Savings Bank

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(Unaudited) In thousands, except share data	September 30, 1993	December 31, 1992(1)
<S>	<C>	<C>
ASSETS		
Cash and due from banks	$ 36,843	$ 40,923
Federal funds sold	45,296	56,239
Investment securities, net (estimated market value of $364,007 in 1993 and $314,097 in 1992)	357,538	310,434
Mortgage backed and related securities, (estimated market value of $254,033 in 1993 and $352,977 in 1992)	246,479	347,173
Loans, net:		
Mortgage	640,121	627,886
Commercial	161,838	197,957
Consumer	148,728	154,924
Less allowance for loan losses	(15,106)	(10,882)
Loans, net	935,581	969,885
Accrued interest receivable	11,583	13,731
Real estate investments, net	25,630	26,555
Premises and equipment, net	14,618	15,075
Other assets	23,140	17,258
Total assets	$1,696,708	$1,797,273
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Deposits	$1,447,892	$1,551,499
Borrowings	44,628	49,600
Other liabilities	30,598	29,912
Total liabilities	1,523,118	1,631,011
Stockholders' equity:		
Preferred stock, par value $1.00 per share; 3,000,000 shares authorized; none issued or outstanding	-	-

Common stock, par value $1.00 per share; 10,000,000 shares authorized; shares issued and outstanding--- 5,466,601 in 1993 and 5,313,963 in 1992	5,467	5,314
Paid-in capital	74,856	72,546
Retained earnings	93,267	90,681
Net unrealized depreciation on marketable equity securities	-	(2,279)
Total stockholders' equity	173,590	166,262
Total liabilities and stockholders' equity	$1,696,708	$1,797,273

</TABLE>

(1) Amounts for December 31, 1992 are derived from audited consolidated financial statements.

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

Peoples Westchester Savings Bank

<TABLE>
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(Unaudited) In thousands, except per share data	Three Months Ended September 30, 1993	Three Months Ended September 30, 1992	Nine Months Ended September 30, 1993	Nine Months Ended September 30, 1992
<S>	<C>	<C>	<C>	<C>
Interest and dividend income:				
Loans:				
Mortgage	$11,886	$13,757	$36,042	$43,824
Commercial	2,643	3,760	8,746	13,003
Consumer	3,055	3,773	9,862	12,051
Total interest on loans	17,584	21,290	54,650	68,878
Investment securities	4,490	3,186	12,779	8,856
Mortgage backed and related securities	4,431	7,130	15,296	21,487
Other	631	848	1,891	2,707
Total interest and dividend income	27,136	32,454	84,616	101,928
Interest expense:				
Deposits	10,139	14,106	33,015	47,050
Borrowings	979	1,068	3,052	3,276
Total interest expense	11,118	15,174	36,067	50,326
Net interest income	16,018	17,280	48,549	51,602
Provision for loan losses	(3,000)	(2,175)	(13,000)	(6,425)
Net interest income after provision for loan losses	13,018	15,105	35,549	45,177
Non-interest income:				
Net investment security gains (losses)	657	(299)	279	(443)
Service charges and fees	1,182	1,278	3,667	3,721
Other	350	201	1,055	604
Total non-interest income	2,189	1,180	5,001	3,882
Non-interest expense:				
General and administrative expense:				
Compensation and benefits	6,279	6,041	19,603	17,475
Occupancy and equipment	2,203	2,038	6,479	6,323
Advertising	841	645	2,220	1,927
FDIC deposit insurance premiums	858	897	2,624	2,694
Other	2,938	2,624	8,580	7,965
Total general and administrative expense	13,119	12,245	39,506	36,384
Loss on real estate investments	271	948	1,169	1,969
Total non-interest expense	13,390	13,193	40,675	38,353
Income (loss) before income tax expense (benefit) and cumulative effect of accounting change	1,817	3,092	(125)	10,706
Income tax expense (benefit)	245	1,410	(209)	5,794
Income before cumulative effect of accounting change	1,572	1,682	84	4,912
Cumulative effect of change in accounting				

for income taxes	-	-	4,933	-
Net income	$ 1,572	$ 1,682	$ 5,017	$ 4,912
Earnings per common share:				
Income before cumulative effect of accounting change	$ 0.27	$ 0.32	$ 0.01	$ 0.93
Cumulative effect of change in accounting for income taxes	-	-	0.87	-
Net income	$ 0.27	$ 0.32	$ 0.88	$ 0.93

</TABLE>

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

Peoples Westchester Savings Bank

<TABLE>
<CAPTION>

(Unaudited) (In thousands, except share data) Nine months ended September 30, 1992	Common Stock	Paid-in Capital	Retained Earnings	Net Unrealized Depreciation on Marketable Equity Securities	Total
<S>	<C>	<C>	<C>	<C>	<C>
Balance at December 31, 1991	$5,308	$72,457	$86,269	$(4,312)	$159,722
Net income	-	-	4,912	-	4,912
Cash dividends paid on common stock ($0.36 per share)	-	-	(1,911)	-	(1,911)
Issuance of 600 common shares upon exercise of options	-	8	-	-	8
Decrease in net unrealized depreciation on marketable equity securities	-	-	-	2,136	2,136
Balance at September 30, 1992	$5,308	$72,465	$89,270	$(2,176)	$164,867
1993					
Balance at December 31, 1992	5,314	$72,546	$90,681	$(2,279)	$166,262
Net income	-	-	5,017	-	5,017
Cash dividends paid on common stock ($0.45 per share)	-	-	(2,431)	-	(2,431)
Issuance of 152,638 common shares upon exercise of options	153	2,310	-	-	2,463
Decrease in net unrealized depreciation on marketable equity securities	-	-	-	2,279	2,279
Balance at September 30, 1993	$5,467	$74,856	$93,267	$ -	$173,590

</TABLE>

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Peoples Westchester Savings Bank

<TABLE>
<CAPTION>

(Unaudited)	Nine Months Ended September 30	
In thousands	1993	1992
<S>	<C>	<C>
Cash flows from operating activities:		
Interest and dividends received	$ 89,216	$ 104,731
Non-interest cash receipts	4,493	3,836
Interest paid	(35,508)	(49,900)
Compensation and benefits paid	(18,212)	(17,829)
Payments for other non-interest expenses	(18,965)	(18,101)
Income taxes paid	(3,682)	(5,880)

Net cash provided by operating activities	17,342	16,857
Cash flows from investing activities:		
Investment securities purchased	(152,182)	(150,309)
Proceeds from sales of investment securities	29,508	107,368
Proceeds from maturities and redemptions of investment securities	76,246	36,015
Mortgage backed and related securities purchased	-	(131,410)
Principal collections on mortgage backed and related securities	99,588	53,121
Net receipts for loan originations and principal collections	31,892	35,722
Disbursements for loan purchases	(19,400)	(26,418)
Proceeds from sales of loans	8,956	57,666
Expenditures for investments in real estate	(3,133)	(3,852)
Return of investments in real estate	3,658	7,631
Purchases of premises and equipment	(1,032)	(2,348)
Other investing cash flows, net	1,304	(1,215)
Net cash (used in) provided by investing activities	75,405	(18,029)
Cash flows from financing activities:		
Net decrease in deposits	(103,503)	(36,792)
Repayment of other borrowings	(4,972)	(854)
Cash dividends paid on common stock	(2,431)	(1,911)
Other financing cash flows, net	3,136	3,667
Net cash used in financing activities	(107,770)	(35,890)
Net decrease in cash and cash equivalents	(15,023)	(37,062)
Cash and cash equivalents at beginning of period	97,162	104,024
Cash and cash equivalents at end of period	$ 82,139	$ 66,962
Reconcilation of net income to net cash provided by operating activities:		
Net income	$ 5,017	$ 4,912
Net investment security gains	(579)	(357)
Provision for losses on equity securities	300	800
Provision for loan losses	13,000	6,425
Provision for losses on real estate investments	1,091	1,308
Depreciation and amortization	1,462	1,561
Amortization of intangible assets	531	849
Net decrease in accrued interest receivable	2,148	2,368
Net increase in prepaid expenses	(1,674)	(2,133)
Net increase in accrued expenses	2,132	323
Net change in income tax assets and liabilities	(3,891)	(86)
Cumulative effect of change in accounting for income taxes	(4,933)	-
Other reconciling items, net	2,738	887
Net cash provided by operating activities	$ 17,342	$ 16,857
Supplemental disclosure of non-cash investing and financing activities:		
Foreclosed and in-substance foreclosed loans transferred to real estate investments	$ 809	$ 1,708
Loans originated in connection with sales of foreclosed real estate	-	4,253

</TABLE>

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Peoples Westchester Savings Bank
(Unaudited)
September 30, 1993

NOTE 1
GENERAL

The consolidated financial statements in this report have not been audited, with the exception of the information derived from the audited Consolidated Statement of Condition as of December 31, 1992. In the opinion of management, all adjustments necessary for a fair presentation of the financial position and results of operations for the interim periods have been made. All such adjustments are of a normal recurring nature. In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Material estimates that are particularly susceptible to significant change in the near term relate to the determination of the allowances for losses on loans and real estate investments.

These statements should be read in conjunction with the bank's 1992 Annual Report on Form F-2. Results of operations for the three- and nine-month periods ended September 30, 1993 are not necessarily indicative of the results of operations which may be expected for the full year 1993 or any other interim periods.

NOTE 2
STOCKHOLDERS' EQUITY

The authorized common stock of the bank consists of 10,000,000 shares of common stock at $1.00 par value. Common shares issued and outstanding were 5,466,601 at September 30, 1993; 5,313,963 at December 31, 1992; and 5,308,463 at September 30, 1992.

The bank is also authorized to issue up to 3,000,000 shares of preferred stock, the preferences, limitations, and relative rights of which may be established by resolution of the Board of Directors. The bank has not issued any preferred stock.

NOTE 3
EARNINGS PER COMMON SHARE

Earnings per common share were based on the weighted average number of common shares outstanding, 5,728,602 and 5,681,233, respectively, for the three- and nine-month periods ended September 30, 1993, and 5,308,029 and 5,307,919, respectively, for the three- and nine-month periods ended September 30, 1992.

Shares granted but not yet issued under the bank's stock option plan were reflected in the calculation for the three- and nine-month periods ended September 30, 1993. The weighted average shares for these two periods respectively include 265,656 shares and 285,788 shares of common stock option grants that have not yet been exercised.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

NOTE 4
LOAN COMMITMENTS, LINES OF CREDIT, AND LETTERS OF CREDIT

In the normal course of business, there are various outstanding commitments and contingent liabilities, such as commitments to extend credit and other transactions, which are not reflected in the consolidated financial statements. A summary of these commitments and contingent liabilities at September 30, 1993 is presented below.

LOAN COMMITMENTS, LINES OF CREDIT, AND LETTERS OF CREDIT

<TABLE>
<CAPTION>

September 30, 1993 (in thousands)	Amounts
Loan origination commitments and unadvanced lines of credit:	
Mortgage loans	$ 48,700
Commercial loans	64,600
Consumer loans	9,300
Total	$122,600
Standby letters of credit	$ 5,300

</TABLE>

At September 30, 1993, the bank had forward commitments to sell mortgage loans of approximately $0.6 million. The bank also has agreed to sell to the Student Loan Marketing Association ("Sallie Mae") substantially all of the student loans it originates through October 31, 1995. The balance of loans held for sale to Sallie Mae at September 30, 1993 was $3.4 million. These student loan sales will be made at prices equal to or in excess of the carrying value of the loans.

NOTE 5
ACCOUNTING STANDARDS

Statement of Financial Accounting Standard ("SFAS") No. 106, "Accounting for Postretirement Benefits Other Than Pensions," was issued in December 1990. This standard, which requires that the cost of postretirement benefits other than pensions be recognized on an accrual basis as employees perform services to earn such benefits, was adopted by the bank on a prospective basis in the first quarter of 1993. The periodic expense recognized in the first, second, and third quarters of 1993 for the cost of these benefits was $652,000, $649,000, and $650,000, respectively.

The bank also adopted SFAS No. 109, "Accounting for Income Taxes," which requires the use of an asset and liability method of accounting for income taxes. The cumulative effect of the accounting change resulted in an increase to net income of $4.9 million in the consolidated statement of income for the three months ended March 31, 1993.

ITEM II
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

On October 7, 1993, at a Special Meeting of Shareholders held at the Westchester Marriott Hotel in Tarrytown, New York, more than 80% of outstanding shares of Peoples Westchester Savings Bank common stock were voted in favor of the bank's proposed merger with and into First Fidelity Bank, N.A., New York ("FFB-NY"), a wholly-owned national bank subsidiary of First Fidelity Bancorporation ("First Fidelity").

Of 5,464,501 shares outstanding and eligible to vote at the meeting, 4,379,830, or 80.15%, were voted in favor of the merger; 112,493 shares, or 2.06%, were voted against the merger, and 34,584 shares, or 0.63%, abstained.

The merger is now pending the approval of the Office of the Comptroller of the Currency ("OCC").

In connection with the proposed merger, the bank has incurred higher professional service fees and printing and postage expenses than would otherwise be expected. These expenses are included in general and administrative ("G&A") expense on the bank's Consolidated Statements of Income for both the three- and nine-month periods of 1993.

Earnings Summary

For the third quarter of 1993, the bank reported net income of $1.6 million, or $0.27 per share, in contrast to a second quarter 1993 loss of $1.8 million, or $0.31 per share, and third quarter 1992 net income of $1.7 million, or $0.32 per share.

Compared to the third quarter of 1992, the current third quarter net income reflected a $1.3 million decrease in net interest income to $16.0 million; an $825,000 increase in the provision for loan losses to $3.0 million; and an $874,000 increase to $13.1 million in the bank's G&A expense. These factors were largely offset by a $1.0 million increase in non-interest income to $2.2 million; a $677,000 decline in losses on real estate investments to $271,000; and a $1.2 million decrease to $245,000 in income tax expense.

Compared to 1992 nine-month net income of $4.9 million, the bank's 1993 net income of $5.0 million included $4.9 million stemming from its first quarter adoption of Statement of Financial Accounting Standard ("SFAS") No. 109, "Accounting for Income Taxes," and $84,000 in income before the cumulative effect of this accounting change.

Excluding the impact of SFAS No. 109, the current nine-month earnings reflected a $3.1 million decrease in net interest income to $48.5 million; a $6.6 million rise in the provision for loan losses to $13.0 million; and a $3.1 million increase to $39.5 million in G&A expense.

These factors were only partly offset by a $1.1 million rise in non-interest income to $5.0 million; an $800,000 decline in the loss on real estate investments to $1.2 million; and an income tax benefit of $209,000, as opposed to income tax expense of $5.8 million for the first nine months of 1992.

SELECTED STATISTICAL DATA
TABLE 1

<TABLE>
<CAPTION>

	1993 At or for the Quarter Ended		1992 At or for the Quarter Ended	1993 At or for the Nine Months Ended	1992 At or for the Nine Months Ended
	September 30	June 30	September 30	September 30	September 30
<S>	<C>	<C>	<C>	<C>	<C>
Return on average assets	0.36%	(0.41)%	0.37%	0.38%	0.36%
Return on average stockholders' equity	3.65	(4.11)	4.15	3.90	4.07
Earnings (loss) per common share:					
Income (loss) before cumulative effect of accounting change	$ 0.27	$(0.31)	$ 0.32	$ 0.01	$ 0.93
Cumulative effect of change in accounting for income taxes	-	-	-	0.87	-
Net income (loss)	$ 0.27	$(0.31)	$ 0.32	$ 0.88	$ 0.93
Net interest margin	3.87%	3.86%	3.98%	3.86%	3.97%
Net interest spread	3.49	3.46	3.57	3.47	3.53
Common equity to total assets:					
Period end	10.23	9.94	9.23	10.23	9.23
Average	9.99	9.95	8.99	9.82	8.92
Book value per common share	$31.75	$31.64	$31.06	$31.75	$31.06
Dividends declared per common share	0.15	0.15	0.12	0.45	0.36
Common dividend payout ratio	52.16%	n/m	37.87%	48.46%	38.90%
Nonperforming assets as a percent of total assets	3.08	3.11	2.48	3.08	2.48
Allowance for loan losses as a percent of total loans	1.59	1.57	0.96	1.59	0.96
Interest rate sensitivity gap (one year)	0.74	(0.22)	0.82	0.74	0.82
Closing market price	$40.38	$40.13	$19.00	$40.38	$19.00
n/m = not meaningful					

</TABLE>

Net Interest Income

Net interest income is the bank's primary source of earnings; its level is affected significantly by the difference between the yield earned on the bank's interest earning assets and the rate paid on its interest bearing liabilities (i.e., its interest rate spread), and by the relative dollar amounts of those assets and liabilities. These factors are, in turn, affected by current economic conditions, as well as by the monetary policy of the Federal Reserve Board of Governors.

For the three months ended September 30, 1993, the bank reported net interest income of $16.0 million, down $1.3 million, or 7.3%, from the $17.3 million reported for the three months ended September 30, 1992.

For the first nine months of 1993, the bank's net interest income was $48.5 million, representing a decline of $3.1 million, or 5.9%, from the $51.6 million reported for the first nine months of 1992.

These reductions primarily stemmed from a $76.3 million, or 7.4%, decline in total loans outstanding over the twelve-month period, reflecting continuing weakness in the bank's local marketplace. Total loans declined to $950.7 million at September 30, 1993 from $1.0 billion at the prior September 30th, largely due to a $57.8 million decline in commercial loans.

The declines in net interest income also reflect a narrowing of the bank's interest rate spread and net interest margin, which were 3.49% and 3.87%, respectively, for the three months ended September 30, 1993. For the year-earlier third quarter, the bank had reported an interest rate spread and net interest margin of 3.57% and 3.98%, respectively.

INTEREST EARNING ASSETS:

The average yield on interest earning assets declined by 93 basis points to 6.55% for the third quarter of 1993 from 7.48% for the third quarter of 1992. This decline reflected substantial reductions in the average yields on each of the bank's earning assets: loans declined 84 basis points, to 7.43%; investment securities dropped 58 basis points, to 4.93%; mortgage backed and related securities fell 76 basis points, to 6.71%; and money market investments and other earning assets declined 58 basis points, to 3.08%.

For the third quarter of 1993, average earning assets were $1.7 billion, down $77.7 million from the average in the third quarter of 1992. The 4.5% decline was due to an $117.7 million, or 30.8%, decrease in average mortgage backed and related securities; an $82.4 million, or 8.0%, reduction in average loans to $946.8 million, and a $10.9 million, or 11.7%, decline in average money market investments and other earning assets. These reductions were largely offset, however, by a $133.2 million, or 57.5%, increase in average investment securities to $364.7 million.

The rise in investment securities primarily reflects management's decision to deploy more of the bank's cash flows into U.S. Government and Agency bonds than into loans and mortgage backed and related securities during an extended period of economic weakness in the local marketplace. Because the rate of interest yielded by investment securities is less than that yielded by loans and the bank's remaining earning assets, the rise in investment securities has contributed to the decline in the bank's net interest margin and interest rate spread.

INTEREST BEARING LIABILITIES:

The average cost of interest bearing funds declined 85 basis points to 3.06% for the third quarter of 1993 from 3.91% for the third quarter of 1992. Average interest bearing funds declined $99.0 million, or 6.4%, to $1.5 billion, largely reflecting a $95.4 million, or 6.3%, reduction in average interest bearing deposits, coupled with a $3.6 million, or 7.1%, reduction in average borrowings.

Savings accounts represented 56.3% of average interest bearing deposits, up from 48.8% for the third quarter of 1992. Certificates of deposit ("CDs") represented 23.7% of the average, down from 30.7%.

Average savings account balances rose $58.9 million, or 8.0%, from 1992's third quarter, while average CD balances declined by $127.4 million, or 27.6%. The coinciding rise in average savings account balances and decline in average CD balances reflect the disinclination of consumers to commit their savings to long-term and low-yielding savings products, such as CDs.

Compared to the third quarter of 1992, the interest cost of savings accounts declined 90 basis points to 2.75% for the current quarter, while the interest cost of CDs declined 81 basis points to 3.99%.

Average borrowings declined $3.6 million, or 7.1%, to $46.7 million, while the average interest cost of borrowings declined 12 basis points to 8.38%.

The difference between the 93-basis point decline in the average yield on interest earning assets and the 85-basis point decline in the average cost of interest bearing liabilities was 8 basis points, accounting for the narrowing of the interest rate spread to 3.49% in the third quarter of 1993 from 3.57% in the third quarter of 1992.

SUMMARY OF NET INTEREST INCOME
Table 2

<TABLE>
<CAPTION>

	Average Balance		Average Yield/Rate		Interest Income/Expense	
	1993	1992	1993	1992	1993	1992

Dollars in thousands	Third Quarter	Second Quarter	Third Quarter	Third Quarter	Second Quarter	Third Quarter	Third Quarter	Second Quarter	Third Quarter
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Earning assets:									
Loans (1)	$ 946,773	$ 953,887	$1,029,155	7.43%	7.72%	8.27%	$17,584	$18,401	$21,290
Investment securities	364,660	343,660	231,493	4.93	4.96	5.51	4,490	4,262	3,186
Mortgage backed and related securities	264,297	303,072	381,968	6.71	6.72	7.47	4,431	5,090	7,130
Money market investments and other earning assets (2)	81,940	78,986	92,793	3.08	3.04	3.66	631	600	848
Total	$1,657,670	$1,679,605	$1,735,409	6.55	6.75	7.48	$27,136	$28,353	$32,454
Interest bearing funds:									
NOW	$ 115,737	$ 116,165	$ 112,876	1.40	1.43	1.91	$ 405	$ 416	$ 538
Savings	792,737	787,843	733,839	2.75	3.12	3.65	5,442	6,148	6,705
Money market	146,892	152,483	176,223	2.35	2.35	2.78	863	894	1,225
Certificates of deposit	333,687	356,429	461,084	3.99	4.01	4.80	3,330	3,575	5,536
Mortgage escrow	19,249	16,583	19,715	2.06	2.15	2.07	99	89	102
Total interest bearing deposits	1,408,302	1,429,503	1,503,737	2.88	3.11	3.75	10,139	11,122	14,106
Borrowings	46,705	48,099	50,274	8.38	8.47	8.50	979	1,019	1,068
Total interest bearing funds	1,455,007	1,477,602	1,554,011	3.06	3.29	3.91	$11,118	$12,141	$15,174
Excess of interest earning assets over interest bearing funds	202,663	202,003	181,398						
Total	$1,657,670	$1,679,605	$1,735,409						
Net interest income							$16,018	$16,212	$17,280
Interest rate spread				3.49	3.46	3.57			
Net interest margin				3.87	3.86	3.98			

</TABLE>

(1) Average loan balances include nonperforming loans.
(2) Average money market investments and other earning assets include real estate investments other than foreclosed and in-substance foreclosed real estate.

RATE/VOLUME ANALYSIS
Table 3

The following table presents changes in interest and dividend income, and in interest expense, attributable to (i) changes in rate (change in average rate multiplied by prior period balance or volume); (ii) changes in volume (change in average volume multiplied by prior period rate); and (iii) the combined effect of changes in average rate and in average volume.

<TABLE>
<CAPTION>

	Third Quarter 1993 Compared to Second Quarter 1993				Third Quarter 1993 Compared to Third Quarter 1992			
		Change Due to				Change Due to		
In thousands	Total Change	Rate	Volume	Combined	Total Change	Rate	Volume	Combined
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Interest and dividend income:								
Loans	$ (817)	$ (692)	$ (137)	$ 12	$(3,706)	$(2,161)	$(1,703)	$ 158
Investment securities	228	(26)	260	(6)	1,304	(336)	1,834	(194)
Mortgage backed and related securities	(659)	(8)	(651)	-	(2,699)	(726)	(2,198)	225
Money market investments and other earning assets	31	8	22	1	(217)	(135)	(99)	17
Total change in interest and dividend income	$(1,217)	$ (718)	$ (506)	$ 7	$(5,318)	$(3,358)	$(2,166)	$ 206
Interest expense:								
Interest bearing deposits								
NOW	$ (11)	$ (9)	$ (2)	$ -	$ (133)	$ (144)	$ 14	$ (3)
Savings	(706)	(729)	38	(15)	(1,263)	(1,651)	537	(149)
Money market	(31)	-	(33)	2	(362)	(189)	(204)	31
Certificates of deposit	(245)	(18)	(228)	1	(2,206)	(934)	(1,529)	257
Mortgage escrow	10	(4)	14	-	(3)	-	(2)	(1)
Total	(983)	(760)	(211)	(12)	(3,967)	(2,918)	(1,184)	135
Borrowings	(40)	(11)	(30)	1	(89)	(15)	(76)	2
Total change in interest expense	$(1,023)	$ (771)	$ (241)	$ (11)	$(4,056)	$(2,933)	$(1,260)	$ 137

Change in net interest income	$ (194)	$ 53	$ (265)	$ 18	$(1,262)	$ (425)	$ (906)	$ 69

</TABLE>

Provision For Loan Losses

The provision for loan losses is based on management's periodic evaluation of the adequacy of the allowance for loan losses, which considers such factors as the bank's past loan loss experience, its current level of nonperforming and other past due loans, its estimate of potential losses stemming from other loan portfolio risk elements, and economic conditions in the marketplace it serves.

Throughout 1993, the bank's asset quality has been compromised by persistent economic weakness throughout Westchester County and in the surrounding communities served by the bank. As a result, the bank recorded higher provisions in both the three- and nine-month periods relative to the comparable periods in 1992.

For the third quarter of 1993, the bank's provision for loan losses was $3.0 million, down $4.0 million from the $7.0 million reported for the current year's second quarter but up $825,000 from the $2.2 million reported for the third quarter of 1992.

For the first nine months of 1993, the bank's provision for loan losses was $13.0 million, up $3.0 million from the $10.0 provision recorded for the six months ended June 30, 1993 and up $6.6 million from the $6.4 million reported for the nine months ended September 30, 1992.

Nonperforming assets totaled $52.2 million, or 3.08% of total assets, a modest decline from $54.0 million, or 3.11% of total assets, at June 30, 1993, but up $8.0 million from the $44.2 million, or 2.48% of total assets, recorded at September 30, 1992.

The bank's allowance for loan losses rose to $15.1 million, or 1.59% of loans outstanding, from $14.9 million, or 1.57%, at June 30, 1993, and from $9.9 million, or 0.96%, at September 30, 1992. Net charge-offs were $2.8 million at the close of the current quarter, compared to $4.1 million and $2.1 million, respectively, at June 30, 1993 and September 30, 1992.

If current economic conditions continue within the bank's lending area, nonperforming assets and loan charge-offs will likely increase, necessitating higher provisions for loan losses and greater loan loss reserves.

See "Asset Quality" on page 21 for an additional discussion of the bank's nonperforming loans and the allowance for loan losses.

Non-Interest Income

Non-interest income typically stems from net investment security gains, service charges and fees, and other sources of non-interest income, including gains on sales of residential mortgage loans and fees earned on the sale of annuities and mutual funds.

The sale of annuities and mutual funds has represented a significant source of non-interest income to the bank since the prior year's third quarter, when Marketing Distributing Systems, Inc., a New Jersey-based firm, was retained to sell such alternative investments through the bank's branch network. For the three months ended September 30, 1993, combined sales of annuities and mutual funds totaled $14.2 million; for the first nine months of the year, sales totaled $42.1 million.

In the third quarter of 1993, the bank's non-interest income rose substantially to $2.2 million from $1.2 million in the comparable quarter of 1992.

The $1.0 million, or 85.5%, rise was substantially due to a $956,000 swing in net investment security gains from net investment security losses and to a $214,000 increase in fees earned on the sale of annuities and mutual funds. The bank reported net investment security gains of $657,000 in the current third quarter, compared to net investment security losses of $299,000 in the prior year's third quarter, while fees earned on the sale of alternative investments rose to $216,000 from $2,000.

These improvements were only partially offset by a $96,000, or 7.5%, decrease in service charges and fees to $1.2 million, and by an $81,000 decline in net gains on sales of residential mortgage loans.

For the nine months ended September 30, 1993, the bank reported non-interest income of $5.0 million, up $1.1 million, or 28.8%, from the $3.9 million reported for the prior nine-month period.

This increase was primarily due to a $722,000 swing in net investment securities gains from net investment security losses and from a $700,000 improvement in fees earned on the sale of annuities and mutual funds. In 1993, the bank reported nine-month net investment security gains of $279,000, versus net investment security losses of $443,000 in the first nine months of 1992. Fees earned on combined sales of annuities and mutual funds rose to $712,000 from $12,000 during the same time period.

Compared to the nine months ended September 30, 1992, service charges and fees declined a modest $54,000 to $3.7 million, while net gains on sales of residential mortgage loans declined $396,000 to $45,000. During the three and nine months ended September 30, 1993, and in anticipation of its proposed merger with and into FFB-NY, the bank refrained from selling residential mortgage loans to the extent that it had in 1992.

SUMMARY OF NON-INTEREST INCOME
Table 4
<TABLE>
<CAPTION>

In thousands	1993 Third Quarter	1993 Second Quarter	1992 Third Quarter	1993 Nine Months	1992 Nine Months	Y-T-D Change
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net investment security gains (losses)	$ 657	$ (251)	$ (299)	$ 279	$ (443)	$ 722
Service charges and fees:						
Service charges on deposit accounts	859	908	937	2,709	2,772	(63)
Other service charges and fees	323	348	341	958	949	9
Total service charges and fees	1,182	1,256	1,278	3,667	3,721	(54)
Other:						
Net gains on sales of residential mortgage loans	5	33	86	45	441	(396)
Other	345	345	115	1,010	163	847
Total other	350	378	201	1,055	604	451
Total non-interest income	$2,189	$1,383	$1,180	$5,001	$3,882	$1,119

</TABLE>

Non-Interest Expense

Non-interest expense, consisting of G&A expense and the loss on real estate investments, totaled $13.4 million for the three months ended September 30, 1993, up $197,000, or 1.5%, from $13.2 million for the three months ended September 30, 1992. The increase was substantially due to an $874,000, or 7.1%, rise in G&A expense to $13.1 million, which was largely offset by a $677,000, or 71.4%, decline in the loss on real estate investments to $271,000.

The third quarter increase in G&A expense primarily stemmed from a $298,000 increase in employee benefits relating to the bank's adoption of SFAS No. 106, "Accounting for Postretirement Benefits Other Than Pensions" and from a $254,000 increase in professional service fees (primarily legal) relating to the proposed merger with and into FFB-NY.

The decline in the loss on real estate investments reflects lower provisions for losses on real estate development properties and lower operating losses in the current period.

For the nine months ended September 30, 1993, the bank recorded non-interest expense of $40.7 million, up $2.3 million, or 6.1%, from $38.4 million for the year-earlier nine-month period. The increase stemmed from a $3.1 million, or 8.6%, rise in G&A expense to $39.5 million, which was somewhat offset by an $800,000 or 40.6%, decline in the loss on real estate investments for the current nine months.

The rise in nine-month G&A expense primarily reflects a $1.7 million, or 38.3%, increase in employee benefits and an $827,000 increase in professional service fees. The increase in employee benefits stemmed from the bank's first quarter 1993 adoption of SFAS No. 106, as previously mentioned, while the rise in professional service fees stemmed from consultations with legal and financial advisors regarding the proposed merger.

G&A EXPENSE:

Compensation and benefits rose $238,000, or 3.9%, to $6.3 million for the current third quarter from $6.0 million for the third quarter of 1992. While salaries and wages declined $60,000 to $4.5 million in the current quarter, benefit-related expenses rose $298,000, or 20.3%, to $1.8 million from $1.5 million during the same period.

The decline in compensation reflects a reduction in the number of bank employees, to 557 at September 30, 1993 from 611 at September 30, 1992. The simultaneous rise in benefits reflects $650,000 stemming from the adoption of SFAS No. 106, as previously mentioned; this rise was partly offset by a $352,000 decline in other benefit-related expenses corresponding to the reduction in the number of bank personnel.

Occupancy expense rose $117,000, or 10.0%, to $1.3 million in the current quarter, while furniture and equipment expense rose $48,000, or 5.6%. Advertising expense increased $196,000, or 30.4%, to $841,000, the result of an institutional advertising campaign on local cable television stations and a consumer loan promotion utilizing direct mail.

FDIC deposit insurance premiums declined a modest $39,000, or 4.3%, to $858,000, reflecting the decrease in total deposits from the level recorded at September 30, 1992.

Other G&A expense rose $314,000, or 12.0%, to $2.9 million, substantially due to the $254,000, or 48.8%, increase in professional service fees to $774,000, described earlier. To a lesser extent, the rise in other G&A expense stemmed from a $35,000, or 17.9%, rise in stationery and supplies expense to $231,000 and from a $158,000, or 11.6%, increase in miscellaneous sources of other G&A expense to $1.5 million. These increases were partly offset by a $106,000, or 37.5%, decline in the amortization of core deposit premiums to $177,000 and by a $27,000 decline in postage and telephone expense to $236,000.

For the nine months ended September 30, 1993, G&A expense was $39.5 million, up $3.1 million from the $36.4 million reported for the nine months ended September 30, 1992. The 8.6% increase substantially stemmed from a $2.1 million, or 12.2%, increase in compensation and benefits and an $827,000, or 60.4%, increase in professional service fees. The increase in compensation and benefits included $2.0 million that was SFAS No. 106-related, while the rise in professional service fees reflected legal and other advisory fees relating to the bank's proposed merger and its response to an unsolicited acquisition proposal in the first quarter of the year.

The increase in nine-month G&A expense also included a $231,000, or 6.5%, rise in occupancy expense to $3.8 million; a $293,000, or 15.2%, increase in advertising to $2.2 million; a $103,000, or 17.5%, increase in stationery and supplies to $693,000; and a $31,000 rise in miscellaneous sources of other G&A expense to $4.4 million. These increases were only partly offset by a $75,000 decrease in furniture and equipment expense to $2.7 million; a $70,000 decline in FDIC deposit insurance premiums to $2.6 million; a $28,000 decrease in postage and telephone expense to $766,000; and a $318,000 reduction in the amortization of core deposit insurance premiums to $531,000.

LOSS ON REAL ESTATE INVESTMENTS:

The bank's real estate investments ("REI") consist of properties acquired for development and sale and of properties acquired by foreclosure and loans classified as in-substance foreclosures ("ORE"). For the third quarter of 1993, the bank's loss on these investments was $271,000, a decline of $677,000, or 71.4%, from the $948,000 reported for the third quarter of 1992.

The current loss on REI included $195,000 in operating losses on real estate development properties and $76,000 in operating expenses relating to ORE. The loss on REI in the year-ago third quarter consisted of a provision for losses on real estate development properties of $400,000; operating losses on these properties of $482,000; losses and expenses on ORE of $48,000; and a provision for losses on ORE of $18,000.

For the nine months ended September 30, 1993, the loss on REI was $1.2 million, down $800,000, or 40.6%, from $2.0 million for the comparable nine months in 1992.

The nine-month loss on REI in 1993 consisted of a provision for losses on REI of $1.0 million, an operating loss of $122,000 on these investments, and a $66,000 provision for losses on ORE. These losses were partially offset by a $44,000 net gain on the sale of and operating income from ORE during the current nine-month period.

In contrast, the nine-month loss in 1992 consisted of a provision for losses on REI of $1.2 million, an operating loss on these investments of $815,000, and a provision for losses on ORE of $107,000. These losses were partly offset by a $153,000 net gain on the sale of and operating income from ORE.

The provision for losses on the bank's real estate development properties is based on management's projection of their estimated net realizable values. Net realizable value refers to the estimated selling prices of said properties, less the estimated costs of completion, holding, and disposal, and is based on an appraisal of real estate market conditions in the areas where properties are located.

Sales activity in the third quarter of 1993 showed some improvement from the prior year's third quarter, with five closings recorded and six new contracts signed during the current three months. However, operating losses from these properties are likely to continue for the foreseeable future, and additional provisions for losses may be required.

For more information about the bank's real estate investments, see page 23.

SUMMARY OF GENERAL AND ADMINISTRATIVE EXPENSE
TABLE 5

<TABLE>
<CAPTION>

	1993		1992	1993	1992	
In thousands	Third Quarter	Second Quarter	Third Quarter	Nine Months	Nine Months	Y-T-D Change
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Salaries and wages	$ 4,514	$ 4,549	$ 4,574	$13,483	$13,049	$ 434
Employee benefits	1,765	1,937	1,467	6,120	4,426	1,694
Total compensation and benefits	6,279	6,486	6,041	19,603	17,475	2,128
Occupancy expense	1,291	1,234	1,174	3,785	3,554	231
Furniture and equipment	912	891	864	2,694	2,769	(75)
Advertising	841	773	645	2,220	1,927	293
FDIC deposit insurance premiums	858	883	897	2,624	2,694	(70)
Other:						
Professional services	774	901	520	2,196	1,369	827
Postage and telephone	236	283	263	766	794	(28)
Stationery and supplies	231	250	196	693	590	103
Amortization of core deposit premiums	177	177	283	531	849	(318)
Other	1,520	1,366	1,362	4,394	4,363	31
Total other	2,938	2,977	2,624	8,580	7,965	615
Total general and administrative expense	$13,119	$13,244	$12,245	$39,506	$36,384	$3,122

</TABLE>

Income Tax Expense

For the third quarter of 1993, the bank recorded income tax expense of $245,000, a decline of $1.2 million from income tax expense of $1.4 million for the third quarter of 1992. This decline reflects the $1.3 million reduction in income before income tax expense to $1.8 million from $3.1 million.

For the first nine months of 1993, the bank recorded an income tax benefit of $209,000, in contrast to income tax expense of $5.8 million for the comparable nine months of 1992. The tax benefit stemmed from the bank's $125,000 loss before income tax expense for the current period, compared to income of $10.7 million before income tax expense for the comparable period in 1992.

Balance Sheet Summary

At September 30, 1993, the bank reported total assets of $1.7 billion, including total loans of $950.7 million (down $76.3 million, or 7.4%, from $1.0 billion a year earlier); mortgage backed and related securities of $246.5 million (down $131.7 million, or 34.8% from $378.2 million); and net investment securities of $357.5 million (up $108.2 million, or 43.4%, from $249.3 million).

For the third quarter of 1993, the bank reported average earning assets of $1.7 billion, down $21.9 million, or a modest 1.3%, from the year's second quarter average, and down $77.7 million, or 4.5%, from the third quarter average in 1992. These reductions primarily reflect declines in average loans and mortgage backed and related securities, which were largely offset by a significant rise in average investment securities.

Average loans were $946.8 million in the current third quarter, representing a nominal $7.1 million decrease from the second quarter average but an $82.4 million, or 8.0%, decline from $1.0 billion in the third quarter of 1992.

Comparing the third quarters of 1993 and 1992, the decline in average loans stemmed primarily from a $53.7 million, or 25.1%, drop in average commercial loans outstanding; average mortgage loans declined an additional $25.7 million, or 3.9%, while average consumer loans dropped a comparatively modest $3.0 million, or 1.9%.

Average mortgage backed and related securities declined $38.8 million, or 12.8%, from the year's second quarter average and $117.7 million, or 30.8%, from the average in the third quarter of 1992.

At $81.9 million, average money market investments and other earning assets rose $3.0 million, or 3.7%, from the second quarter average but declined $10.9 million, or 11.7%, from the average in the third quarter of last year.

In contrast, average investment securities rose $21.0 million, or 6.1%, to $364.7 million from $343.7 million in the current year's second quarter and increased $133.2 million, or 57.5%, from the third quarter of 1992. The rise in investment securities corresponds to management's cautious approach to lending during a time of protracted weakness in the local economy.

Deposits totaled $1.4 billion at September 30, 1993, down $93.5 million, or 6.1%, from the year-earlier total; borrowings were $44.6 million, down $5.2 million, or 10.5%.

Interest bearing deposits averaged $1.4 billion during the current third quarter, representing a $21.2 million, or 1.5%, decline from the second quarter and a $95.4 million, or 6.3%, decline from the third quarter of 1992. The reduction in average deposits reflects the movement of funds out of lower-yielding savings products into higher-yielding investments such as annuities and mutual funds.

Borrowings averaged $46.7 million during the current third quarter, signifying a modest $1.4 million, or 2.9%, decline from the year's second quarter average and a $3.6 million, or 7.1%, decrease from the average in the third quarter of 1992. The bank has maintained a policy of steadily paying down its borrowings, which bear higher rates of interest than deposits, as a means of enhancing its net interest spread and income.

Loans

At September 30, 1993, the bank reported total loans of $950.7 million, including $640.1 million in mortgage loans (down $12.2 million, or 1.9%, from the prior third quarter average); commercial loans of $161.8 million (down

$57.8 million, or 26.3%); and consumer loans of $148.7 million (down $6.3 million, or 4.1%). The general decline is indicative of the current economic conditions, as well as management's cautious approach to lending during this time.

In the third quarter of 1993, loans averaged $946.8 million, a $7.1 million decrease from the second quarter average of $953.9 million and an $82.4 million decrease from the third quarter 1992 average of $1.0 billion. The decline stemmed primarily from a reduction in commercial loans outstanding, which averaged $160.3 million in the current third quarter, down $17.9 million, or 10.0%, from $178.2 million in the year's second quarter and down $53.7 million, or 25.1%, from $214.0 million in the third quarter of 1992.

Compared to the second quarter of 1993, average mortgage and average consumer loans showed improvement in the third quarter, but declined from the levels reported for the third quarter of 1992. In the current third quarter, mortgage loans averaged $634.4 million, representing a $10.3 million, or 1.6% increase from the second quarter average but a $25.7 million, or 3.9%, decline from the third quarter of 1992. The higher average of mortgage loans in the current quarter compared to the year's second quarter was not unexpected, as housing sales typically increase during the summer months.

Consumer loans, meanwhile, averaged $152.1 million, up $481,000 from the year's second quarter average of $151.6 million, and down a modest $3.0 million, or 1.9%, from the year-earlier average of $155.1%.

Mortgage Backed and Related Securities

For the third quarter of 1993, average mortgage backed and related securities were $264.3 million, a reduction of $38.8 million, or 12.8%, from $303.1 million in the year's second quarter and a reduction of $117.7 million, or 30.8%, from $382.0 million in the third quarter of 1992. The reductions were due to principal paydowns.

At September 30, 1993, the market value of the bank's mortgage backed and related securities was $254.0 million, or 103.1% of carrying value, compared to $292.2 million, or 103.4%, at June 30, 1993, and to $388.6 million, or 102.7%, at September 30, 1992.

AVERAGE LOANS AND MORTGAGE BACKED AND RELATED SECURITIES
Table 6

<TABLE>
<CAPTION>

	1993				1992		1993		1992	
Dollars in thousands	Third Quarter	%	Second Quarter	%	Third Quarter	%	Nine Months	%	Nine Months	%
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Mortgage	$ 634,346	52%	$ 624,084	50%	$ 660,033	47%	$ 629,684	50%	$ 676,004	47%
Commercial	160,301	13	178,158	14	213,973	15	170,836	14	231,943	16
Consumer	152,126	13	151,645	12	155,149	11	152,470	12	156,505	11
Total loans	946,773	78	953,887	76	1,029,155	73	952,990	76	1,064,452	74
Mortgage backed and related securities	264,297	22	303,072	24	381,968	27	299,949	24	379,000	26
Total loans and mortgage backed and related securities	$1,211,070	100%	$1,256,959	100%	$1,411,123	100%	$1,252,939	100%	$1,443,452	100%

</TABLE>

Asset Quality

In the third quarter of 1993, the bank's asset quality continued to reflect the persistent weakness of the local economy. At $52.2 million, nonperforming assets were $1.7 million lower than the June 30, 1993 level of $54.0 million, but $8.0 million higher than the $44.2 million level reported at September 30, 1992.

As a percentage of total assets, nonperforming assets were 3.08% at the close of the current third quarter, compared to 3.11% and 2.48%, respectively, at June 30, 1993 and September 30, 1992.

Nonperforming assets consist primarily of nonperforming loans and, to a lesser extent, of foreclosed and in-substance foreclosed real estate. At September 30, 1993, nonperforming loans totaled $48.7 million, including $39.4 million in loans on nonaccrual status and $9.3 million in restructured loans.

By comparison, nonperforming loans totaled $50.2 million at June 30, 1993 and $40.0 million at September 30, 1992. The June 30th total included $41.3 million in loans on nonaccrual status and $8.9 million in restructured loans. The September 30, 1992 total included $36.9 million in loans on nonaccrual status and $3.1 million in restructured loans.

Nonperforming commercial mortgage loans represented $31.6 million, or 64.8%, of nonperforming loans at the close of the current third quarter, while nonperforming commercial business loans and leases represented $8.1 million, or 16.6%. Nonperforming residential mortgage loans represented $5.2 million, or 10.7% of nonperformers; nonperforming construction and land development loans represented $2.7 million, or 5.6%; and nonperforming consumer loans and leases represented a modest $1.1 million, or 2.3%.

Loan charge-offs were $2.9 million in the current third quarter, down $1.5 million, or 34.3%, from $4.4 million in the year's second quarter but up $737,000, or 34.6%, from $2.1 million in the quarter ended September 30, 1992.

At $15.1 million, the allowance for loan losses at September 30, 1993 represented 1.59% of total loans and 31.01% of nonperforming loans. By comparison, the allowance for loans losses was $14.9 million at June 30, 1993 (representing percentages of 1.6% and 29.8%, respectively) and $9.9 million (representing percentages of 1.0% and 24.7%, respectively) at September 30, 1992.

Loans past due ninety days or more but still accruing interest totaled $3.6 million, down $166,000, or 4.4%, from $3.8 million at the end of the year's second quarter, and down $843,000, or 18.8%, from $4.5 million at September 30, 1992. Interest on these loans continues to be accrued because, in management's judgment, the loans and accrued interest are adequately secured by the underlying collateral or are guaranteed.

Foreclosed and in-substance foreclosed real estate totaled $3.3 million at the end of the current third quarter, representing a $279,000, or 7.8%, decline from $3.6 million at the close of the year's second quarter and a $709,000, or 17.7%, decline from $4.0 million at September 30, 1992. The lower level in 1993 reflects the sale of a $2.1 million residential property in 1992's third quarter and sales of additional properties in the first three quarters of 1993.

If current conditions continue within the bank's immediate lending area, nonperforming assets could very well increase. Further deterioration of assets would likely result in higher provisions for loans losses, lower interest earning assets, and diminished net interest income, which would contribute to reduced earnings overall.

ASSET QUALITY ANALYSIS
TABLE 7

<TABLE>
<CAPTION>

Dollars in thousands	1993 Third Quarter	1993 Second Quarter	1992 Third Quarter	1993 Nine Months	1992 Nine Months
<S>	<C>	<C>	<C>	<C>	<C>
Allowance for loan losses:					
Balance at beginning of period	$ 14,934	$ 12,056	$ 9,790	$ 10,882	$ 9,389
Provision for loan losses charged to operations	3,000	7,000	2,175	13,000	6,425
Loan charge-offs	(2,868)	(4,365)	(2,131)	(9,147)	(6,073)
Loan recoveries	40	243	56	371	149
Net charge-offs	(2,828)	(4,122)	(2,075)	(8,776)	(5,924)
Balance at end of period	$ 15,106	$ 14,934	$ 9,890	$ 15,106	$ 9,890

Loans:					
End of period	$ 950,687	$ 950,021	$1,027,030	$ 950,687	$1,027,030
Average	946,773	953,887	1,029,155	952,990	1,064,452
Assets, end of period	1,696,708	1,737,576	1,785,361	1,696,708	1,785,361
Loan portfolio risk elements at period end:					
Loans on nonaccural status	$ 39,428	$ 41,264	$ 36,928	$ 39,428	$ 36,928
Restructured loans	9,288	8,892	3,072	9,288	3,072
Total nonperforming loans	48,716	50,156	40,000	48,716	40,000
Loans past due ninety days or more but still accruing interest (1)	3,646	3,812	4,489	3,646	4,489
Total loan portfolio risk elements	$ 52,362	$ 53,968	$ 44,489	$ 52,362	$ 44,489
Nonperforming assets at period end:					
Nonperforming loans	$ 48,716	$ 50,156	$ 40,000	$ 48,716	$ 40,000
Foreclosed properties and in-substance foreclosures	3,298	3,577	4,007	3,298	4,007
Other	210	235	200	210	200
Total nonperforming assets	$ 52,224	$ 53,968	$ 44,207	$ 52,224	$ 44,207
Ratios:					
Allowance for loan losses to total loans	1.59%	1.57%	0.96%	1.59%	0.96%
Net charge-offs to average loans outstanding	0.30	0.43	0.20	0.92	0.56
Nonperforming loans to total loans	5.12	5.28	3.89	5.12	3.89
Loan portfolio risk elements to total loans	5.51	5.68	4.33	5.51	4.33
Nonperforming assets to total assets	3.08	3.11	2.48	3.08	2.48
Allowance for loan losses to nonperforming loans	31.01	29.78	24.73	31.01	24.73

</TABLE>

(1) These loans have been judged by management to be fully collectible and thus are not included in nonperforming loans.

Real Estate Investments

Real estate investments consist of properties acquired for development and sale, properties acquired by foreclosure, and loans classified as in-substance foreclosures. At September 30, 1993, net real estate investments totaled $25.6 million, compared to $25.9 million at June 30, 1993 and $27.8 million at September 30, 1992.

Properties acquired for development and sale include wholly-owned and joint venture investments made through wholly-owned subsidiaries of the bank. These investments had a carrying value of $22.3 million at both September 30 and June 30, 1993, net of allowances for losses of $10.8 million, and a carrying value of $23.8 million, net of an allowance for losses of $9.4 million, at September 30, 1992. The allowance for losses is based on management's assessment of the estimated net realizable value of these investments, given current real estate market conditions. The bank has four properties acquired for development and sale, including one that consists of land to be marketed for sale upon receipt of final approval for sub-division. At the remaining three properties, which represent a net investment of $19.7 million, sales activity improved slightly during the current third quarter, with six more units closed and five new contracts signed.

While sales activity has picked up somewhat at the three developed projects, management does not project a significant rise in sales of units, given the sluggish state of the economy in the local marketplace.

The balance of the bank's real estate investments at September 30, 1993 consisted of $1.1 million in real estate acquired by foreclosure (down $207,000 from the level at June 30, 1993 and down $348,000 from the level reported at September 30, 1992), as well as $2.3 million in loans classified as in-substance foreclosures (down $70,000 from the June 30, 1993 level and down $314,000 from the level at the year-earlier date). The allowance forlosses on these investments was $72,000 at September 30, 1993, $70,000 at June 30, 1993, and $25,000 at September 30, 1992.

SUMMARY OF REAL ESTATE INVESTMENTS
Table 8

<TABLE>
<CAPTION>

1993	1992

In thousands	At September 30	At June 30	At September 30
<S>	<C>	<C>	<C>
Properties acquired for development and sale	$ 33,158	$ 33,131	$33,229
Less allowance for losses	(10,826)	(10,826)	(9,401)
	22,332	22,305	23,828
Real estate acquired by foreclosure	1,101	1,308	1,449
Loans classified as in-substance foreclosures	2,269	2,339	2,583
Less allowance for losses	(72)	(70)	(25)
	3,298	3,577	4,007
Real estate investments, net	$ 25,630	$ 25,882	$27,835

</TABLE>

Investment Securities and Money Market Investments

The bank's level of investment securities and money market investments have traditionally reflected current trends in loan originations. When opportunities for lending have been limited, as they have been in recent quarters, the bank has deployed more of its cash flows into these alternative earning assets. Conversely, when lending opportunities have been strong, investment securities and money market investments have typically been reduced. The levels of these earning assets have also been affected by trends in deposit flows.

At September 30, 1993, the book value of the bank's investment securities was $357.5 million, down $5.2 million, or 1.4%, from $362.7 million at June 30, 1993, but up $108.2 million, or 43.4%, from $249.3 million at September 30, 1992.

The market value of the bank's investment securities at September 30, 1993 was $364.0 million, or 101.8% of book value, compared to $368.3 million, or 101.5% of book value, at June 30, 1993, and to $254.9 million, or 102.2% of book value at September 30, 1992. The weighted average maturities of the debt securities were 2.6 years at September 30 and June 30, 1993 and 3.6 years at September 30, 1993.

United States Government and Agency securities represented $229.3 million, or 64.1%, of the bank's investment securities portfolio at September 30, 1993, compared to $222.9 million, or 61.5%, and $116.0 million, or 46.5%, respectively, at June 30, 1993 and September 30, 1992.

Equity securities, including investments in mutual funds, totaled $16.5 million at September 30, 1993, down $24.7 million, or 60.0%, from $41.2 million at June 30, 1993, and down $26.0 million, or 61.1%, from $42.5 million at September 30, 1992. Management has decided to lessen its emphasis on equity securities and to reinvest the proceeds from their sale into loan assets or short-term debt securities. The market value of the bank's equity securities was $17.6 million, or 106.4%, of book value at September 30, 1993.

The bank's money market investments totaled $45.3 million at September 30, 1993, down $1.8 million from $47.1 million at the close of the current year's second quarter, but up $9.8 million from $35.5 million at September 30, 1992.

AVERAGE INVESTMENT PORTFOLIO
Table 9

<TABLE>
<CAPTION>

	1993		1992	1993	1992
In thousands	Third Quarter	Second Quarter	Third Quarter	Nine Months	Nine Months
<S>	<C>	<C>	<C>	<C>	<C>
Federal funds sold	$ 56,054	$ 52,732	$ 60,969	$ 54,838	$ 58,242
Interest bearing balances with banks	-	-	4,130	-	2,299

Total money market investments	56,054	52,732	65,099	54,838	60,541
Bonds, notes, and debentures:					
United States Government and Agency	232,401	211,576	102,869	210,012	76,992
Public utility	369	669	2,353	761	8,032
State and municipal	15,471	16,492	17,408	16,380	17,536
Corporate and other	82,667	72,590	66,084	77,477	53,048
Equity securities, including investments in mutual funds	33,752	42,333	42,779	39,288	44,796
Total investment securities	364,660	343,660	231,493	343,918	200,404
Total investment portfolio	$420,714	$396,392	$296,592	$398,756	$260,945

</TABLE>

INVESTMENT SECURITIES PORTFOLIO
TABLE 10
<TABLE>
<CAPTION>

Dollars in thousands	1993 At September 30 Book Value	Market Value	1993 At June 30 Book Value	Market Value	1992 At September 30 Book Value	Market Value
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Bonds, notes, and debentures:						
United States Government and Agency	$229,303	$232,271	$222,937	$225,703	$116,035	$119,092
Public utilities	296	298	448	452	1,688	1,695
State and municipal	13,787	14,588	16,092	16,825	17,348	17,733
Corporate and other	97,648	99,290	82,029	83,411	71,800	73,885
Equity securities, including investments in mutual funds	16,504	17,560	41,236	41,884	42,475	42,474
Total investment securities, net	$357,538	$364,007	$362,742	$368,275	$249,346	$254,879
Market value as a percent of book value	101.81%		101.53%		102.22%	
Weighted average maturity of debt securities (in years)	2.6		2.6		3.6	

</TABLE>

Funding

Funding for the bank's lending and investment activities stems primarily from interest bearing deposits and, to a far lesser extent, from borrowings. In the third quarter of 1993, the bank had total deposits of $1.4 billion and total borrowings of $44.6 million, compared to $1.5 billion and $47.5 million, respectively, at June 30, 1993 and $1.5 billion and $49.8 million, respectively, at September 30, 1992.

Total funding averaged $1.7 billion in the current third quarter, representing a decline of $23.4 million, or 1.4%, from the year's second quarter average and a decline of $79.7 million, or 4.5%, from the average in the third quarter of last year.

Interest bearing deposits averaged $1.4 billion in the current year's third quarter, down $21.2 million, or 1.5%, from the year's second quarter, and down $95.4 million, or 6.3%, from the year-ago period. Borrowings averaged $46.7 million, representing a $1.4 million, or 2.9%, decrease from the second quarter average and a $3.6 million, or 7.1%, drop below the average in the third quarter of 1992. As previously indicated, the decline in interest bearing deposits signifies the withdrawal of funds from long-term and/or low-yielding savings products and their placement into either short-term savings products or alternative investments that pay higher interest rates.

In point of fact, average savings account balances rose to $792.7 million in the current quarter from $787.8 million (a modest $4.9 million increase) in the year's second quarter and from $733.8 million (a $58.9 million, or 8.0%, increase) in the third quarter of 1992. At the same time, average CD balances declined to $333.7 million from $356.4 million and $461.1 million, respectively, representing reductions of $22.7 million, or 6.4%, and $127.4 million, or 27.6%.

In addition, average money market account balances declined to $146.9 million, from $152.5 million (a $5.6 million or 3.7% decrease) for the year's second quarter, and from $176.2 million (a $29.3 million, or 16.6%, decrease) for the third quarter of last year.

As indicated in the prior discussion of non-interest income on page 13, some of the funds withdrawn from CDs and money market accounts have been invested in annuities and mutual funds offered throughout the bank's branch network by Marketing Distribution Systems, Inc., a vendor of the bank.

AVERAGE FUNDING
Table 11

<TABLE>
<CAPTION>

In thousands	1993 Third Quarter	1993 Second Quarter	1992 Third Quarter	1993 Nine Months	1992 Nine Months
<S>	<C>	<C>	<C>	<C>	<C>
Deposits:					
Non-interest bearing checking	$ 70,206	$ 69,253	$ 60,372	$ 66,718	$ 58,415
Interest bearing deposits:					
NOW	115,737	116,165	112,876	115,729	113,354
Savings	792,737	787,843	733,839	785,259	688,190
Money market	146,892	152,483	176,223	153,272	187,456
Certificates of deposit	333,687	356,429	461,084	358,974	497,781
Mortgage escrow	19,249	16,583	19,715	17,900	17,544
Total interest bearing deposits	1,408,302	1,429,503	1,503,737	1,431,134	1,504,325
Total deposits	1,478,508	1,498,756	1,564,109	1,497,852	1,562,740
Borrowings	46,705	48,099	50,274	48,114	53,030
Other non-interest funding (1)	174,622	176,333	165,181	173,826	163,891
Total funding	$1,699,835	$1,723,188	$1,779,564	$1,719,792	$1,779,661

</TABLE>

(1) Represents stockholders' equity and certain mortgage escrow funds.

Liquidity and Capital Resources

The bank's cash flows are derived from operating, investing, and financing activities.

Cash flows from operating activities consisted primarily of interest and dividends received of $89.2 million, offset by interest paid of $35.5 million for the first nine months of 1993. Net cash provided by operating activities for this period amounted to $17.3 million.

For the nine months ended September 30, 1993, the net cash provided by investing activities was $75.4 million. Cash flows stemmed primarily from purchases of investment securities and loans, offset by the repayment of loans and mortgage backed and related securities and from the sale and maturity of investment securities.

The net cash used in financing activities was $107.8 million, primarily reflecting the previously mentioned decrease in deposits and repayment of borrowings.

The bank has ready access to various wholesale funding sources, including an existing medium-term note program, a line of credit with another bank, borrowings under repurchase agreements and, if necessary, short-term borrowings through the Federal Reserve Bank discount window. Management believes that these sources of funds, together with the bank's core deposits and balance sheet sources of liquidity, are sufficient to meet the bank's anticipated funding requirements.

At September 30, 1993, stockholders' equity equaled $173.6 million, or 10.23% of total assets, compared to $172.6 million, or 9.94%, at June 30, 1993 and to $164.9 million, or 9.23%, at September 30, 1992.

The $955,000 rise in stockholders' equity from the close of the year's second quarter reflects a $751,000 increase in retained earnings (consisting of net income of $1.6 million less dividends paid of $821,000), and a $193,000 increase in paid-in capital stemming from the issuance of common shares upon the exercise of stock options.

Compared to September 30, 1992, the $8.7 million increase in stockholders' equity reflects a $4.0 million increase in retained earnings, a $2.5 million increase in common stock and paid-in capital triggered by the issuance of 158,138 shares upon the exercise of stock options, and the elimination of net unrealized depreciation on marketable equity securities which had been $2.2 million at the prior date.

Cash dividends paid to common stockholders represented 48.5% of net income for the nine months ended September 30, 1993 and 38.9% of net income for the nine months ended September 30, 1992.

Under the Federal Deposit Insurance Corporation Improvement Act, institutions with a leverage capital ratio above 5.0%, and with Tier 1 and total risk-based capital ratios above 6.0% and 10.0%, respectively, are categorized as "well-capitalized."

At September 30, 1993, the bank's leverage capital ratio was 10.11% of total assets; for risk-based capital purposes, its Tier 1 and total capital ratios were, respectively, 15.41% and 16.58% of risk-weighted assets.

At June 30, 1993 and September 30, 1992, the bank's leverage capital ratios were 9.80% and 9.07%, respectively; for risk-based capital purposes, its Tier 1 risk-based capital ratios were, respectively, 14.22% and 13.07%, and its total risk-based capital ratios were 15.39% and 13.80%.

CAPITAL ADEQUACY
Table 12

<TABLE>
<CAPTION>

	At or For the Quarter Ended		
Dollars in thousands, except per share data	September 30 1993	June 30 1993	September 30 1992
<S>	<C>	<C>	<C>
TOTAL STOCKHOLDERS' EQUITY:			
Period-end	$ 173,590	$ 172,635	$ 164,867
Average	172,277	173,912	162,002
Return on average stockholders' equity	3.65%	(4.11)%	4.15%
Average stockholders' equity to assets	9.99	9.95	8.99
Internal capital generation rate (1)	1.74	n/m	2.58
AT PERIOD-END:			
Common stockholders' equity to assets	10.23%	9.94%	9.23%
Book value per common share	$ 31.75	$ 31.64	$ 8.99
Primary and total capital	173,590	172,635	164,867
Tangible equity	171,247	170,115	161,551
Primary and total capital ratios	10.23%	9.94%	9.23%
Tangible capital ratio	10.11	9.80	9.07
Tier 1 leverage ratio	10.11	9.80	9.07
RISK-BASED CAPITAL:			
Tier 1 capital	$ 171,247	$ 170,115	$ 161,551
Total capital	184,232	184,141	170,534
Risk-adjusted assets	1,111,414	1,196,248	1,235,726
Tier 1 ratio	15.41%	14.22%	13.07%
Total ratio	16.58	15.39	13.80

</TABLE>

(1) This ratio indicates the internal rate of return on common stockholders' equity and is computed by dividing the earnings retained during a period by the average balance of common stockholders' equity for the same time period.
n/m = not meaningful

ITEM III

SIGNATURES

Under the requirements of the Securities Exchange Act of 1934, the bank has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PEOPLES WESTCHESTER SAVINGS BANK

Date: November 12, 1993 By: /s/ James G. Kane

Executive Vice President
and Chief Financial Officer

By: /s/ James J. Curran, Jr.

First Senior Vice President
and Chief Accounting Officer

EXHIBIT A
SUPPLEMENTAL FINANCIAL INFORMATION
QUARTERLY CONSOLIDATED STATEMENTS OF INCOME

<TABLE>
<CAPTION>

	1993			1992			
In millions, except per share data	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Interest and dividend income:							
Loans:							
Mortgage	$ 11.9	$ 12.0	$ 12.2	$ 13.3	$ 13.7	$ 14.8	$ 15.3
Commercial	2.6	3.1	3.0	3.7	3.8	4.3	4.9
Consumer	3.1	3.3	3.5	3.6	3.8	4.2	4.1
Total interest on loans	17.6	18.4	18.7	20.6	21.3	23.3	24.3
Investment securities	4.5	4.3	4.0	3.7	3.2	2.6	3.0
Mortgage backed and related securities	4.4	5.1	5.8	6.4	7.1	7.6	6.8
Other	0.6	0.6	0.6	0.6	0.9	0.8	1.0
Total interest and dividend income	27.1	28.4	29.1	31.3	32.5	34.3	35.1
Interest expense:							
NOW	0.4	0.4	0.4	0.5	0.6	0.5	0.6
Savings	5.4	6.2	6.2	6.2	6.7	7.4	7.1
Money market	0.9	0.9	1.0	1.1	1.2	1.5	1.7
Certificates of deposit	3.3	3.6	4.0	4.7	5.5	6.3	7.6
Mortgage escrow	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total interest on deposits	10.1	11.2	11.7	12.6	14.1	15.8	17.1
Borrowings	1.0	1.0	1.1	1.1	1.1	1.1	1.1
Total interest expense	11.1	12.2	12.8	13.7	15.2	16.9	18.2
Net interest income	16.0	16.2	16.3	17.6	17.3	17.4	16.9
Provision for loan losses	(3.0)	(7.0)	(3.0)	(2.5)	(2.2)	(2.4)	(1.9)
Net interest income after provision for loan losses	13.0	9.2	13.3	15.1	15.1	15.0	15.0
Non-interest income:							
Net investment security gains (losses)	0.7	(0.3)	(0.1)	1.0	(0.3)	0.0	(0.2)
Service charges and fees	1.2	1.3	1.2	1.2	1.3	1.2	1.2
Other	0.3	0.4	0.3	0.9	0.2	0.3	0.2
Total non-interest income	2.2	1.4	1.4	3.1	1.2	1.5	1.2
Non-interest expense:							
General and administrative expense:							
Compensation and benefits	6.3	6.5	6.8	5.9	6.0	5.8	5.7

Occupancy and equipment	2.2	2.2	2.1	2.1	2.1	2.1	2.1
Advertising	0.8	0.8	0.6	0.6	0.6	0.7	0.6
FDIC deposit insurance premiums	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Other	2.9	2.9	2.7	2.9	2.7	2.8	2.5
Total general and administrative expense	13.1	13.3	13.1	12.4	12.3	12.3	11.8
Loss on real estate investments	0.3	0.2	0.7	0.7	0.9	0.5	0.5
Total non-interest expense	13.4	13.5	13.8	13.1	13.2	12.8	12.3
Income (loss) before income tax expense (benefit) and cumulative effect of accounting change	1.8	(2.9)	0.9	5.1	3.1	3.7	3.9
Income tax expense (benefit)	0.2	(1.1)	0.6	2.9	1.4	2.2	2.2
Income (loss) before cumulative effect of accounting change	1.6	(1.8)	0.3	2.2	1.7	1.5	1.7
Cumulative effect of change in accounting for income taxes	-	-	4.9	-	-	-	-
Net income (loss)	$ 1.6	$ (1.8)	$ 5.2	$ 2.2	$ 1.7	$ 1.5	$ 1.7
Earnings per common share:							
Income (loss) before cumulative effect of accounting change	$ 0.27	$(0.31)	$ 0.05	$ 0.41	$ 0.32	$ 0.29	$ 0.32
Cumulative effect of change in accounting for income taxes	-	-	0.88	-	-	-	-
Net income (loss)	$ 0.27	$(0.31)	$ 0.93	$ 0.41	$ 0.32	$ 0.29	$ 0.32

</TABLE>

EXHIBIT B
SUPPLEMENTAL FINANCIAL INFORMATION
AVERAGE BALANCES AND YIELD/RATES

<TABLE>
<CAPTION>

	1993					
	Third Quarter		Second Quarter		First Quarter	
Dollars in millions	Average Balance	Yield/ Rate	Average Balance	Yield/ Rate	Average Balance	Yield/ Rate
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Assets						
Federal funds sold	$ 56.1	2.54%	$ 52.7	2.40%	$ 55.7	2.56%
Interest bearing balances with banks	-	-	-	-	-	-
Investment securities	364.7	4.93	343.7	4.96	323.0	4.99
Mortgage backed and related securities	264.3	6.71	303.1	6.72	333.2	6.93
Loans(1):						
Mortgage	634.4	7.49	624.1	7.67	630.6	7.73
Commercial	160.3	6.60	178.2	6.93	174.2	6.93
Consumer	152.1	8.03	151.6	8.82	153.6	9.01
Total loans	946.8	7.43	953.9	7.72	958.4	7.79
Real estate investments	22.2	4.26	22.3	4.59	22.5	4.89
Other earning assets	3.6	4.17	3.9	2.83	4.0	2.92
Total earning assets	1,657.7	6.55	1,679.6	6.75	1,696.8	6.87
Allowance for loan losses	(15.3)		(12.6)		(11.0)	
Non-earning assets(2)	82.9		81.4		77.0	
Total assets	$1,725.3		$1,748.4		$1,762.8	
Liabilities and Stockholders' Equity						
Liabilities:						
NOW	$ 115.7	1.40	$ 116.2	1.43	$ 115.3	1.53
Savings	792.7	2.75	787.8	3.12	775.0	3.23
Money market	146.9	2.35	152.5	2.35	160.6	2.45
Certificates of deposit	333.7	3.99	356.4	4.01	387.4	4.12
Mortgage escrow	19.3	2.06	16.6	2.15	17.8	2.04

Total interest bearing deposits	1,408.3	2.88	1,429.5	3.11	1,456.1	3.23
Borrowings	46.7	8.38	48.1	8.47	49.6	8.51
Total interest bearing funds	1,455.0	3.06	1,477.6	3.29	1,505.7	3.40
Non-interest bearing deposits	87.3		84.9		76.0	
Other liabilities	10.7		12.0		13.3	
Total liabilities	1,553.0		1,574.5		1,595.0	
Stockholders' equity	172.3		173.9		167.8	
Total liabilities and stockholders' equity	$1,725.3		$1,748.4		$1,762.8	
Interest rate spread		3.49		3.46		3.47
Net interest margin		3.87		3.86		3.85
Total funds provided		2.60		2.80		2.93

</TABLE>

<TABLE>
<CAPTION>

	1992							
	Fourth Quarter		Third Quarter		Second Quarter		First Quarter	
Dollars in millions	Average Balance	Yield/ Rate	Average Balance	Yield/ Rate	Average Balance	Yield/ Rate	Average Balance	Yield/ Rate
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Assets								
Federal funds sold	$ 46.4	2.32%	$ 61.0	2.76%	$ 48.2	3.20%	$ 65.5	3.55%
Interest bearing balances with banks	-	-	4.1	3.87	2.7	3.79	-	-
Investment securities	269.6	5.39	231.5	5.51	182.2	5.71	187.1	6.56
Mortgage backed and related securities	366.0	7.04	382.0	7.47	401.4	7.56	353.6	7.66
Loans(1):								
Mortgage	641.0	8.29	660.0	8.34	683.5	8.64	684.7	8.94
Commercial	211.1	7.02	214.0	7.03	235.0	7.38	247.0	7.94
Consumer	154.2	9.49	155.1	9.73	157.6	10.72	156.8	10.35
Total loans	1,006.3	8.20	1,029.1	8.27	1,076.1	8.67	1,088.5	8.92
Real estate investments	23.4	5.29	23.9	5.98	23.7	6.40	24.1	6.84
Other earning assets	3.7	3.66	3.8	3.19	5.3	3.40	4.0	3.04
Total earning assets	1,715.4	7.30	1,735.4	7.48	1,739.6	7.90	1,722.8	8.16
Allowance for loan losses	(10.4)		(9.9)		(10.1)		(9.5)	
Non-earning assets(2)	77.5		75.9		76.7		88.2	
Total assets	$1,782.5		$1,801.4		$1,806.2		$1,801.5	
Liabilities and Stockholders' Equity								
Liabilities:								
NOW	$ 114.0	1.74	$ 112.9	1.91	$ 114.2	1.89	$ 113.0	2.16
Savings	758.3	3.30	733.8	3.65	694.7	4.25	635.6	4.47
Money market	165.3	2.60	176.2	2.78	186.3	3.20	199.9	3.41
Certificates of deposit	422.4	4.42	461.1	4.80	492.4	5.12	540.3	5.66
Mortgage escrow	16.2	2.10	19.7	2.07	16.2	2.14	16.7	2.04
Total interest bearing deposits	1,476.2	3.41	1,503.7	3.75	1,503.8	4.20	1,505.5	4.56
Borrowings	49.8	8.50	50.3	8.50	55.2	8.03	53.6	8.20
Total interest bearing funds	1,526.0	3.57	1,554.0	3.91	1,559.0	4.34	1,559.1	4.68
Non-interest bearing deposits	82.1		75.6		75.0		71.2	
Other liabilities	10.8		9.8		11.2		11.6	
Total liabilities	1,618.9		1,639.4		1,645.2		1,641.9	
Stockholders' equity	163.6		162.0		161.0		159.6	
Total liabilities and stockholders' equity	$1,782.5		$1,801.4		$1,806.2		$1,801.5	
Interest rate spread		3.73		3.57		3.56		3.48
Net interest margin		4.13		3.98		4.01		3.92
Total funds provided		3.08		3.40		3.78		4.09

</TABLE>

(1) Average loan balances include non-performing loans.
(2) Average non-earning assets include foreclosed and in-substance foreclosed real estate.

EXHIBIT C
SUPPLEMENTAL FINANCIAL INFORMATION
INTEREST RATE SENSITIVITY ANALYSIS

The following table sets forth the bank's interest rate sensitive assets and liabilities according to the time periods in which they are expected to reprice, and the resulting gap for each time period as well as on a cumulative basis. The significent assumptions and estimates used in the preparation of this table are substantially the same as those used in the preparation of the comparable table as of December 31, 1992, included on page 25 of the 1992 Annual Report to Stockholders, except as noted below.

At September 30, 1993 Dollars in thousands	One Year or Less	After One Through Three Years	After Three Through Five Years	After Five Years	Total
Earning assets:					
Loans (1):					
Adjustable rate	$483,496	$102,693	$ 14,689	$ 2,555	$ 603,433
Fixed rate	75,184	113,626	52,419	122,660	363,889
Total loans	558,680	216,319	67,108	125,215	967,322
Investment securities (2)	87,980	166,478	45,059	58,021	357,538
Mortgage backed and related securities	91,798	33,152	26,046	95,483	246,479
Other earning assets	67,831	163	930	2,261	71,185
Total earning assets	$806,289	$416,112	$139,143	$280,980	$1,642,524
Interest bearing liabilities:					
NOW and savings (3)	$399,478	$134,798	$ 79,862	$284,519	$ 898,657
Money market	143,849	-	-	-	143,849
Certificates of deposit	221,556	61,655	40,528	146	323,885
Mortgage escrow	-	-	-	13,992	13,992
Total interest bearing deposits	764,883	196,453	120,390	298,657	1,380,383
Borrowings (4)	28,833	15,795	-	-	44,628
Total interest bearing liabilities	$793,716	$212,248	$120,390	$298,657	$1,425,011
Excess (deficiency) of earning assets over interest bearing liabilities:					
For the period	$ 12,573	$203,864	$ 18,753	$(17,677)	
On a cumulative basis	12,573	216,437	235,190	217,513	
Cumulative excess (deficiency) as a percent of total assets	0.74%	12.76%	13.86%	12.82%	

(1) Amounts shown include prepayments and repayments at an assumed rate of 12% per year during each subsequent month on the then outstanding balance. The 12% annual rate is based on the bank's five-year historical moving average. However there is no assurance that future prepayments and repayments will occur at this rate.
(2) The "After Five Years" category includes the bank's equity securities portfolio of $16.5 million.
(3) The respective totals for NOW accounts ($113.8 million) and savings accounts ($784.8 million) have been allocated as follows: 20% and 48%, respectively, to the "One Year or Less" category; 15% each to the "After One Through Three Years" category; 10% and 8%, respectively, to the "After Three Through Five Years" category and the remaining 55% and 29%, respectively, to the "After Five Years" category. However, there is no assurance that these balances will actually remain insensitive to interest rate changes in the future.
(4) The "One Year or Less" category includes $2.3 million borrowed under an agreement involving the sale of perferred stocks subject to a put back to the bank at semiannual purchase dates. The "After One Through Three Years" category includes $13.8 million borrowed under option repurchase agreements in which the bank sold state and municipal bonds at par, subject to a put back to the bank upon 14 days' notice.