



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks  
Washington, DC 20219

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## **Public Disclosure**

**September 20, 2004**

# **Community Reinvestment Act Performance Evaluation**

**First National Bank of Pennsylvania  
Charter Number: 249**

**166 Main Street  
Greenville, PA 16125**

**Office of the Comptroller of the Currency  
Midsize Bank Supervision  
440 South LaSalle Street. Suite 2700  
Chicago, IL 60605**

**NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.**

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## Overall CRA Rating

**Institution’s CRA Rating:** This institution is rated **Satisfactory**.

The following table indicates the performance level of **First National Bank of Pennsylvania** with respect to the Lending, Investment, and Service tests:

Performance Levels	First National Bank of Pennsylvania Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			X
High Satisfactory	X		
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			

\* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

Major factors that support this rating include:

- Lending activity that reflects good responsiveness to credit needs in the bank’s assessment areas.
- A substantial majority of originated loans are within the bank’s assessment area.
- Good geographic distribution of loans, given performance context.
- Good distribution of loans by income level of the borrower, given performance context.
- An adequate level of qualified investments.
- Service delivery systems that are readily accessible to geographies and individuals of different income levels in the bank’s assessment areas.
- A good level of community development services that are responsive to assessment area needs.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

**Affiliate:** Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**Aggregate Lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Block Numbering Area (BNA):** A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development:** Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

**Community Reinvestment Act (CRA):** the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

**Consumer Loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male household and no wife present) or 'female householder' (a family with a female householder and no husband present).

**Full Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

**Geography:** A census tract or a block numbering area delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

**Home Mortgage Loans:** such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes loans for multifamily (five or more families) dwellings, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

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

**Limited Review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-Income:** Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

**Market Share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

**Median Family Income (MFI):** The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of

individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

**Metropolitan Area (MA):** Any primary metropolitan statistical area (PMSA), metropolitan statistical area (MSA), or consolidated metropolitan area (CMSA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

**Middle-Income:** Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

**Moderate-Income:** Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

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

**Other Products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**Owner-Occupied Units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified Investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated Area:** A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

**Small Loan(s) to Business(es):** A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

**Small Loan(s) to Farm(s):** A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

**Tier One Capital:** The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

## Description of Institution

First National Bank of Pennsylvania (“FNBPA”) is a \$4.6 billion (June 30, 2004) interstate bank headquartered in Hermitage, Pennsylvania. It is a wholly owned subsidiary of F. N. B. Corporation; a \$4.8 billion diversified financial services company also headquartered in Hermitage. In addition to FNBPA, the corporation owns and operates a trust company, an insurance agency, and a consumer finance company with offices located in western Pennsylvania, northeastern Ohio, and Tennessee. Activity from these holding company affiliates is not being considered at this examination. Activity of the bank’s only subsidiary, First National Community Development Company (“FNCDC”), is being considered at this examination. FNCDC, which makes qualified community development investments on behalf of the bank, was acquired as a result of the merger with Promistar Bank, as discussed below.

FNBPA is a full service bank providing a wide range of products for personal and business purposes. Products include traditional loans and lines of credit, asset based lending, cash management, and electronic banking. As of December 31, 2002, FNBPA operated 129 branches in western Pennsylvania and northeastern Ohio. The bank’s primary market is western Pennsylvania. During the evaluation period, the bank completed two mergers: Promistar Bank (February 19, 2002) and Metropolitan National Bank (November 12, 2002). The mergers allowed FNBPA to expand its branch network, particularly in the Pittsburgh, PA and Youngstown, OH MSAs.

As of June 30, 2004, FNBPA reported total assets of \$4.59 billion. Total net loans of \$3.08 billion represented 67 percent of total assets and consisted of commercial and residential real estate loans (69 percent), loans to individuals (16 percent) and commercial loans (15 percent). The loan-to-deposit ratio was 91 percent. Tier One Capital was \$306 million, which represents 6.7 percent of total assets.

There are no legal, financial or other factors impeding the bank’s ability to help meet the credit needs of its assessment areas. FNBPA was rated “Satisfactory” at its last CRA examination dated August 13, 2001.



## Scope of the Evaluation

### Evaluation Period/Products Evaluated

This Performance Evaluation assesses the bank's performance under the Lending, Investment and Service Tests. In evaluating the bank's lending performance, we reviewed residential mortgage loans subject to filing under the HMDA, small loans to businesses and community development loans. Multi-family housing loans reported under the HMDA and small loans to farms were not evaluated because the volume was very small and analysis would not be meaningful.

Regarding the Lending Test, the evaluation period for HMDA loans is July 1, 2001, through December 31, 2002. For small loans to businesses, the evaluation period is January 1, 2002, through December 31, 2002. Because of systems conversions, the bank was not able to provide the requisite data to allow for the evaluation of small loans to businesses for the period July 1, 2001, through December 31, 2001. For community development loans, the Investment Test, and community development services, the evaluation period is from August 13, 2001, the date of the last CRA examination, through September 20, 2004. For the retail portion of the Service Test, the evaluation period is from July 1, 2001, through December 31, 2002, in order to be consistent with the Lending Test. Loan data reported by FNBPA in 2002 included the activity of the two merged banks, Promistar and Metropolitan National Bank.

Our conclusions related to community development loans and qualified investments are based on the number and dollar amounts made during the evaluation period. In addition, we considered the level of innovation, complexity, responsiveness to community credit needs, and the degree to which these instruments are not routinely provided by private investors.

### Data Integrity

This evaluation is based on accurate data. As part of this CRA evaluation, a data integrity review was conducted in April 2004. HMDA reportable and small business loans were sampled for the period January 1, 2002, through December 31, 2002. Errors identified in the HMDA data were not statistically significant. However, significant errors were found in the small business data. The bank corrected the errors and the corrected data was used for our evaluation.

Community development loans, investments, and community development services submitted by bank management were verified to ensure that they met the regulatory definition for community development. Some items submitted by FNBPA for consideration were excluded from this evaluation because they did not meet the definition or purpose of community development.

### Selection of Areas for Full-Scope Review

FNBPA has 12 assessment areas, 10 in the state of Pennsylvania and two in the state of Ohio. In the state of Pennsylvania, the Johnstown, Pittsburgh, and Sharon MSAs received a full-scope review. The other seven assessment areas received limited- scope reviews. In Ohio, the Youngstown assessment area received a full-scope review and the Cleveland assessment area

received a limited-scope review. Refer to Appendix A for more information on areas selected for full- and limited-scope reviews.

## **Ratings**

FNBPA's overall rating is a blend of the state ratings. The state of Pennsylvania received the most weight since 91 percent of FNBPA's total deposits and 94 percent of loans reported for this examination are derived from Pennsylvania. The state ratings are based on those areas that received full-scope reviews.

## **Other**

Community credit needs in the assessment areas were determined by reviewing recent community contacts conducted by the OCC in connection with other CRA examinations of banks operating in the same assessment area. We also conducted seven community contacts in the full-scope assessment areas as part of this examination.

Two community contacts were held in the Johnstown MSA, one with a community development financial institution (CDFI) and the other with a SBA-sponsored small business development center. The mission of both entities is to create and expand the level of small businesses in the area. The primary identified assessment area credit needs include credit for the establishment of small businesses, and the financing of economic development projects that will promote job growth. In the city of Johnstown, the need for financing to create affordable housing was identified.

The Pittsburgh MSA community contact was a non-profit organization that administers a small business loan fund. Previous community contacts reviewed for this examination include community-based organizations involved in economic development and affordable housing, a housing authority, and a national financial intermediary. There is a general need for economic development throughout the MSA, including the financing of small businesses. In addition, some counties have more affordable housing needs than others, including the need for financing of affordable housing development. Such housing needs were generally found in the city of Pittsburgh. Surrounding counties (i.e., Butler and Fayette) tended to consider resources for economic development as their primary credit need.

A community contact was held with an economic development agency in the Sharon MSA. Credit needs identified included funding for infrastructure and business expansion. Financing for small businesses was also considered a primary need in light of the area's economy.

Three community contacts were held for the Ohio assessment areas. The findings are discussed in the Ohio portion of this report.

Refer to the profiles in Appendix C for additional information.

## **Fair Lending Review**

We found no evidence of illegal discrimination or other illegal credit practices.

## State Rating

### State of Pennsylvania

#### CRA Rating for Pennsylvania:

The lending test is rated: High Satisfactory

The investment test is rated: Low Satisfactory

The Service Test is rated: Outstanding

Major factors that support this rating include:

- Lending activity that reflects good responsiveness to credit needs in the bank's assessment areas.
- A substantial majority of originated loans are within the bank's assessment areas.
- Good geographic distribution of loans, given performance context.
- Good distribution of loans by income level of the borrower, given performance context.
- An adequate level of qualified investments that are responsive to needs in the assessment area.
- Service delivery systems that are readily accessible to geographies and individuals of different income levels in the bank's assessment areas.
- A good level of community development services responsive to assessment area needs.

### Description of Institution's Operations in Pennsylvania

FNBPA's primary operations are in the state of Pennsylvania where 91 percent of its branches are located. The bank has designated 10 assessment areas in the western portion of Pennsylvania. These assessment areas include five MSAs and five non-MSA areas that are more rural in nature.

The overall Pennsylvania assessment area is comprised of a significant number of communities suffering from prolonged economic decline due to the downturn in the steel and coal industries, as well as the loss of manufacturing jobs in the region. Such negative economic conditions have translated into high levels of poverty within the assessment area, negatively impacting the demand for HMDA reportable loans in low- and moderate-income geographies and to low- and moderate-income borrowers.

The state of Pennsylvania has designated many portions of the assessment area as distressed including Johnstown, Pittsburgh, and Sharon. In addition, portions of the assessment area have

been designated by the U. S. Department of Commerce as “Distressed Counties” and “Federal Enterprise Communities” by the U. S. Department of Agriculture. As a result, there is a significant need for economic development lending in order to create new jobs in the assessment areas. In the larger cities, such as Pittsburgh and Johnstown, there is need for affordable housing for low- and moderate-income residents.

Refer to the Market Profiles for the State of Pennsylvania in Appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

## **Scope of Evaluation in Pennsylvania**

FNBPA has 10 assessment areas in Pennsylvania. The number of assessment areas has increased from six at the last CRA evaluation due to acquisitions/mergers. Of the 10 assessment areas, the Johnstown, Pittsburgh, and Sharon MSA assessment areas were chosen for full-scope review. Combined, these three assessment areas represent 71 percent of the bank’s deposits in Pennsylvania (as of June 30, 2002) and 60 percent of the loans evaluated at this examination.

Limited-scope assessment areas include the Altoona (# 0280) and Erie (# 2360) MSAs, as well as the following non-MSA counties: contiguous Crawford and Venango combined, contiguous Armstrong and Indiana combined, Bedford, Greene, and Lawrence. Performance in the limited-scope assessment areas had a neutral impact the bank’s overall performance.

HMDA, small loans to businesses, and community development loans were the products used to assess the bank’s lending performance. HMDA loans, and in particular home mortgage refinance loans, received more weight because they represent the largest portion of loans evaluated at this examination. HMDA loans represent 79 percent of loans evaluated at the examination. Of HMDA loans, 59 percent are home mortgage refinance loans. Each of the three full-scope assessment areas received equal weight, except as noted in the discussion regarding the geographic distribution of home mortgage loans.

Refer to the table in Appendix A for more information on the scope of the examination.

## **LENDING TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank’s performance under the Lending Test in Pennsylvania is rated “High Satisfactory”. Based on a full-scope review, the bank’s performance in the Johnstown MSA is adequate, given performance context. Performance is excellent in the Pittsburgh MSA and good in the Sharon MSA, given performance context.

### **Lending Activity**

Refer to Table 1 Lending Volume in the state of Pennsylvania section of Appendix D for the facts and data used to evaluate the bank’s lending activity.

Overall, lending activity reflects good responsiveness to credit needs in FNBPA's full-scope assessment areas. Lending activity is good in the Johnstown MSA, adequate in the Pittsburgh MSA, and good in the Sharon MSA.

The bank's lending activity in the Johnstown MSA is good when deposit market share is compared with loan market share. Based on FDIC deposit data as of June 30, 2002, FNBPA's deposit market share of 23.90 percent ranked first among the 15 financial institutions operating in the MSA. FNBPA also ranked first among the 275 lenders reporting HMDA originations/purchases in the MSA, with a 9.88 percent market share. In 2002, the bank's market share of small loans to businesses in the Johnstown MSA was 6.09 percent, which ranked 6<sup>th</sup> among all lenders reporting small business loans in the MSA. However, the top three small business lenders in the MSA, whose combined market share is 44 percent, are national credit card lenders such as Capital One and MBNA, which do not take deposits in the assessment area. Only one small business lender ranking higher than FNBPA is actually a financial institution operating in the MSA.

Given performance context, lending activity in the Pittsburgh MSA is adequate when deposit market share is compared with loan market share. The Pittsburgh MSA is much more competitive than the bank's other assessment areas with many more financial institutions and lenders operating in the assessment area. Many of these entities are much larger than FNBPA in terms of assets, deposits, locations, and product offerings. Also, FNBPA has a limited history in the assessment area since the majority of its branches in the Pittsburgh assessment area were acquired during the Promistar merger in 2002.

Based on FDIC deposit data as of June 30, 2002, the bank ranked 8<sup>th</sup> among 67 financial institutions operating in the Pittsburgh MSA with a deposit market share of 1.80 percent. In comparison, FNBPA ranked 38<sup>th</sup> out of 552 lenders reporting HMDA loan originations/purchases in the MSA and 14<sup>th</sup> among 132 entities reporting small loans to businesses. The bank's market share of HMDA loans was 0.69 percent. Market share for small loans to businesses was 0.98 percent. As in the other assessment areas, national credit card lenders dominate the small business loan market. The top four lenders, whose combined market share is 54.49 percent, were credit card lenders that do not take deposits in the assessment area.

Lending activity in the Sharon MSA is good when deposit market share is compared with loan market share. Based on FDIC deposit data as of June 30, 2002, FNBPA ranked first among eight financial institutions operating in the MSA, with a deposit market share of 32.21 percent. FNBPA's 2002 market share of HMDA loans was 12.40 percent, which ranked first among the 239 lenders reporting HMDA originations/purchases in the MSA. In 2002, the bank's market share of small loans to businesses in the Sharon MSA was 10.7 percent, which ranked 3<sup>rd</sup> among 37 lenders reporting small business loans in the MSA. However, the two lenders with market shares greater than FNBPA are national credit card lenders Capital One and Citibank USA, NA, which do not take deposits in the assessment area.

### **Distribution of Loans by Income Level of the Geography**

Overall, the geographic distribution of loans is good, given performance context. The geographic distribution of home mortgage loans is good, given performance context. The geographic

distribution of small loans to businesses is good, given performance context. The geographic distribution of loans is adequate in the Johnstown MSA, excellent in the Pittsburgh MSA, and good in the Sharon MSA, given performance context.

### ***Home Mortgage Loans***

Refer to Tables 2, 3, and 4 in the state of Pennsylvania section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

The overall geographic distribution of home mortgage loans in the full-scope assessment areas is good, given performance context. The geographic distribution of home mortgage loans is adequate in the Johnstown MSA, excellent in the Pittsburgh MSA, and good in the Sharon MSA.

Based on performance context data (1990 Census), conclusions are based primarily on performance in the Pittsburgh MSA, since that assessment area provides the greatest opportunity for HMDA lending in low- and moderate-income geographies. (Data from the 2000 Census is consistent with 1990 Census data.) The Johnstown and Sharon MSAs provide limited opportunities for HMDA lending, particularly in low-income geographies, because:

- The low-income geographies of the Johnstown and Sharon MSAs contain 301 and 809 owner-occupied housing units, respectively. Such small numbers of owner-occupied housing units provide a very limited potential market for HMDA loans.
- The level of households below the poverty level in the low-income geographies of the Johnstown MSA is 47 percent and in the Sharon MSA the level is 42 percent. Such households would not generally be able to afford mortgage credit.
- In the Johnstown MSA there are eight moderate-income geographies containing 2,899 owner-occupied housing units. Of the households in the moderate-income geographies, 32 percent are below the poverty level. In the Sharon MSA, there are three moderate-income geographies containing 2,028 owner-occupied housing units and 23 percent of households are below the poverty level. These demographics indicate a limited potential market for HMDA loans.
- High percentages of households in the Johnstown and Sharon MSA receive Social Security income. In the Johnstown MSA, 25 percent of households in low-income geographies and 46 percent of households in moderate-income geographies receive Social Security. In the Sharon MSA, comparable statistics are 39 percent and 35 percent, respectively. Social Security recipients are generally age 65 or more. Households in this age range generally exhibit limited need for HMDA loans.

In addition, the actual number of loans upon which the percentages of the bank's loans are based in the Johnstown and Sharon MSAs are generally small because of these limited opportunities, limiting the significance of our analysis.

The geographic distribution of *home purchase loans is excellent*, based on performance context. The geographic distribution of home purchase loans is excellent in the Johnstown and Pittsburgh MSAs and good in the Sharon MSA.

During the evaluation period, the bank did not originate/purchase any home purchase loans in the low-income geography of the Johnstown MSA. This performance is consistent with the performance context factors discussed above. In moderate-income geographies, the percentage of the bank's loans exceeds the level of owner-occupied housing units in these geographies. The bank's market share of home purchase loans in moderate-income geographies exceeds the bank's overall market share.

In the Pittsburgh MSA, the percentage of the bank's home purchase loans in both low-income and moderate-income geographies exceeds the level of owner-occupied housing units in those geographies. FNBPA's market share of loans in both low-income and moderate-income geographies exceeds the bank's overall market share.

Consistent with performance context factors discussed above, the level of the bank's home purchase loans in the low-income geographies of the Sharon MSA is lower than the level of owner-occupied housing units in those geographies. In the moderate-income geographies, the percent of the bank's loans is considered near to the level of owner-occupied housing units in these geographies, given performance context. The bank's market share of home purchase loans in low-income geographies significantly exceeds the bank's overall market share. The bank's market share of home purchase loans in moderate-income geographies exceeds the bank's overall market share.

The geographic distribution of *home improvement loans is good, given performance context*. The geographic distribution of home improvement loans is adequate in the Johnstown MSA, good in the Pittsburgh MSA, and excellent in the Sharon MSA.

The level of home improvement loans in the low-income geography of the Johnstown MSA is somewhat lower than the level of owner-occupied housing units in those geographies. In the moderate-income geographies the percent of the bank's loans is lower than the level of owner-occupied housing units in those geographies. The bank's market share of home improvement loans in low-income geographies exceeds the bank's overall market share of home improvement loans in the MSA. The bank's market share of home improvement loans in moderate-income geographies is somewhat lower than the bank's overall market share.

In the Pittsburgh MSA, the level of home improvement loans in low-income geographies is lower than the level of owner-occupied housing units in those geographies. In moderate-income geographies, the level of home improvement loans exceeds the level of owner-occupied housing units. In moderate-income geographies, the bank's market share of home improvement loans exceeds the bank's overall market share of such loans. Market share figures are based on 2002 lending activity only. The bank did not originate/purchase any home improvement loans in the low-income geographies of the Pittsburgh MSA during 2002; therefore, there is no market share figure. Lending activity shown in the tables occurred in 2001.



The level of home improvement loans in the low-income geographies of the Sharon MSA is somewhat lower than the level of owner-occupied housing units in those geographies. In the moderate-income geographies the percent of the bank's loans exceeds the level of owner-occupied housing units in those geographies. The bank's market share of home improvement loans in low-income geographies is somewhat lower than the bank's overall market share of home improvement loans in the MSA. The bank's market share of home improvement loans in moderate-income geographies substantially exceeds the bank's overall market share.

The geographic distribution of *home refinance loans* is good, given performance context. The geographic distribution of home refinance loans in the Johnstown and Sharon MSAs is adequate, given performance context. The geographic distribution of home refinance loans is excellent in the Pittsburgh MSA.

In the low-income geographies of the Johnstown MSA, the level of home refinance loans exceeds the level of owner-occupied housing units. In the moderate-income geographies, the level of the bank's home refinance loans is lower than the level of owner-occupied housing units. The bank's market share of home refinance loans in low-income geographies exceeds its overall market share. In moderate-income geographies, the bank's market share of home refinance loans substantially meets its overall market share.

In the Pittsburgh MSA, the percentage of the bank's refinance loans in low-income geographies is somewhat below the percentage of owner-occupied housing units in the geographies. In moderate-income geographies, the level of the bank's refinance loans exceeds the level of owner-occupied housing units. The bank's market share of home refinance loans in both low- and moderate-income geographies exceeds its overall market share.

The level of refinance loans in the low-income geographies of the Sharon MSA is lower than the level of owner-occupied housing units. In the moderate-income geographies, the level of refinance loans is somewhat lower than the level of owner-occupied housing units. In moderate-income geographies, the bank's market share substantially meets the bank's overall market share. There is no market share in low-income geographies because the bank did not originate/purchase any refinance loans in low-income geographies in 2002, the year upon which market share data is calculated.

### ***Small Loans to Businesses***

Refer to Table 6 in the state of Pennsylvania section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The overall geographic distribution of small loans to businesses is good. The geographic distribution of small loans to businesses is adequate in the Johnstown MSA, given performance context. In the Pittsburgh MSA, the geographic distribution of small loans to businesses is excellent. In the Sharon MSA, the geographic distribution of small loans to businesses is good.

During 2002, the bank did not originate/purchase any small loans to businesses in the low-income geography of the Johnstown MSA. However, there are very limited opportunities for

lending to businesses in this geography. According to 2002 D&B data, there are only 41 businesses operating in the one low-income geography of the Johnstown MSA. In the moderate-income geographies of the Johnstown MSA, the percent of the bank's small loans to businesses is lower than the percent of businesses operating in these geographies. The bank's market share of small loans to businesses in moderate-income geographies is somewhat lower than the bank's overall market share. As previously mentioned, the economy of the Johnstown MSA is suffering from weak job growth and high unemployment, limiting the opportunities for lending to small businesses in the MSA.

In the Pittsburgh MSA, the bank's percent of small loans to businesses in low-income geographies exceeds the percent of businesses in these geographies. In moderate-income geographies, the level of the bank's loans significantly exceeds the percent of businesses operating in these geographies. The bank's market share of small loans to businesses in low-income geographies substantially meets the bank's overall market share. In moderate-income geographies, the percent of the bank's loans exceeds the bank's overall market share.

In the Sharon MSA, the percent of the bank's loans in low-income geographies exceeds the percent of businesses operating in these geographies. In moderate-income geographies, the level of small loans to businesses is somewhat lower than the level of businesses operating in these geographies. In both low- and moderate-income geographies, the bank's market share exceeds its overall market share.

### ***Small Loans to Farms***

Refer to Table 7 in the state of Pennsylvania section of Appendix D for the facts and data regarding the geographic distribution of the bank's origination/purchase of small loans to farms.

We did not evaluate these loans because of the low volume.

### ***Lending Gap Analysis***

We evaluated the lending distribution in the bank's full-scope assessment areas to determine if any unexplained conspicuous gaps existed. No unexplained conspicuous gaps were identified.

### ***Inside/Outside Ratio***

This portion of the evaluation was performed for the entire bank instead of for an assessment area. A substantial majority of home mortgage loans and small loans to businesses originated by FNBPA over the evaluation period were within its assessment areas. By number, 95 percent of home mortgage loans, and 98 percent of the small loans to businesses were inside the bank's assessment areas in Pennsylvania and Ohio. By dollar amount, 83 percent of HMDA loans and 98 percent of small loans to businesses were inside the bank's assessment areas in Pennsylvania and Ohio. In total, 95 percent of the number and 88 percent of the dollar amount of reported home mortgage and small loans to businesses were inside the bank's assessment areas. This performance was positively factored into the overall analysis of the geographic distribution of lending by income level of geography.

## Distribution of Loans by Income Level of the Borrower

The overall distribution of loans by income level is good. The distribution of HMDA loans by borrower income level is good, given performance context. The distribution of small loans to businesses by income level is excellent. The distribution of loans by income level is adequate in the Johnstown MSA, excellent in the Pittsburgh MSA, and good in the Sharon MSA.

### *Home Mortgage Loans*

Refer to Tables 8, 9, and 10 in the state of Pennsylvania section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Performance related to lending to moderate-income borrowers received the most weight, as did performance in the Pittsburgh assessment area. Performance context factors discussed in connection with the evaluation of the geographic distribution, such as the level of households below the poverty level and the percentage of households receiving Social Security income, also limit the opportunities to lend to low-income borrowers, particularly those in the Johnstown and Sharon assessment areas. In the Johnstown assessment area, 15.06 percent of households live below the poverty level. In the Pittsburgh assessment area, 12.71 percent live below the poverty level, and in the Sharon assessment area, 12.79 percent live below the poverty level.

In addition, the cost of housing in relation to income levels makes it difficult for many low-income persons to purchase a home in the various full-scope assessment areas without some form of assistance. The disparity also makes it difficult for low-income residents to afford other forms of HMDA credit.

The distribution of *home purchase loans among individuals of different income levels is excellent*, given performance context. The distribution of home purchase loans among individuals of different incomes is good in the Johnstown MSA and excellent in the Pittsburgh and Sharon MSAs, given performance context.

In the Johnstown MSA, the bank's percent of home purchase loans to low-income borrowers is lower than the percent of low-income borrowers. However, this performance is good when poverty levels and housing costs are taken into consideration. The bank's percent of home purchase loans made to moderate-income borrowers is somewhat lower than the percent of moderate-income borrowers. The bank's home purchase loan market share in the Johnstown MSA to both low-income and moderate-income borrowers exceeds its overall market share.

In the Johnstown MSA, a low-income family would earn, at most, \$17,500, based on 2002 HUD Adjusted Median Family Income figures. According to 2000 Census data, the median housing value in the MSA is \$64,061, making it difficult for many low-income families to qualify for a home purchase loan without some form of assistance.

In the Pittsburgh MSA, the bank's percent of home purchase loans to low-income borrowers is lower than the percent of low-income borrowers. However, this performance is good when poverty levels and housing costs are taken into consideration. The bank's percent of home

purchase loans made to moderate-income borrowers exceeds the percent of moderate-income borrowers. The bank's home purchase loan market share in the Pittsburgh MSA to both low-income and moderate-income borrowers exceeds its overall market share.

In the Pittsburgh MSA, a low-income family would earn, at most, \$24,450, based on 2002 HUD Adjusted Median Family Income figures. According to the National Association of Realtors, the median sales price of existing single-family homes in 2002 in the Pittsburgh MSA was \$101,500, making it difficult for many low-income families to qualify for a home purchase loan, without some form of assistance.

In the Sharon MSA, the bank's percent of home purchase loans to low-income borrowers is somewhat lower than the percent of low-income borrowers. However, this performance is good when poverty levels and housing costs are taken into consideration. The bank's percent of home purchase loans made to moderate-income borrowers exceeds the percent of moderate-income borrowers. The bank's home purchase loan market share to low-income borrowers substantially exceeds its overall market share. The bank's home purchase loan market share to moderate-income borrowers is near to the bank's overall market share.

In the Sharon MSA, a low-income family would earn, at most, \$19,750, based on 2002 HUD Adjusted Median Family Income figures. According 2000 Census data, the median housing value in the MSA is \$74,304, making it difficult for many low-income families to qualify for a home purchase loan without some form of assistance.

The distribution of *home improvement loans among individuals of different income levels is excellent*, given performance context. Performance is adequate in the Johnstown MSA and excellent in the Pittsburgh and Sharon MSAs, given performance context.

The bank's percent of home improvement loans in the Johnstown MSA made to low-income borrowers is somewhat lower than the percent of low-income borrowers. However, this performance is good when poverty levels are taken into consideration. The bank's percent of home improvement loans made to moderate-income borrowers is somewhat lower than the percent of moderate-income borrowers. The bank's home improvement loan market share to low-income borrowers exceeds its overall market share. The bank's home improvement loan market share to moderate-income borrowers substantially meets the bank's overall market share.

In the Pittsburgh MSA, the bank's percent of home improvement loans to low-income borrowers is somewhat lower than the percent of low-income borrowers. However, this performance is good when poverty levels are taken into consideration. The bank's percent of home improvement loans made to moderate-income borrowers exceeds the percent of moderate-income borrowers. The bank's home improvement loan market share to low-income borrowers substantially meets its overall market share. The bank's home improvement loan market share to moderate-income borrowers exceeds the bank's overall market share

The bank's percent of home improvement loans in the Sharon MSA made to low-income borrowers is somewhat lower than the percent of low-income borrowers. However, this performance is good when poverty levels are taken into consideration. The bank's percent of home improvement loans made to moderate-income borrowers exceeds the percent of moderate-

income borrowers. The bank's home improvement loan market share to low-income borrowers and moderate-income borrowers exceeds its overall market share.

The distribution of *home mortgage refinance loans among individuals of different income levels is good*, given performance context. Performance is adequate in the Johnstown MSA, good in the Pittsburgh MSA, and adequate in the Sharon MSA.

The bank's percent of home refinance loans in the Johnstown MSA made to low-income borrowers is significantly lower than the percent of low-income borrowers. However, this performance is adequate when poverty levels are taken into consideration. The bank's percent of home refinance loans made to moderate-income borrowers is somewhat lower than the percent of moderate-income borrowers. The bank's home refinance loan market share to low-income borrowers and to moderate-income borrowers substantially meets its overall market share.

In the Pittsburgh MSA, the percent of home refinance loans made to low-income borrowers is lower than the percent of low-income borrowers. However, this performance is adequate when poverty levels are taken into consideration. The bank's percent of home refinance loans made to moderate-income borrowers exceeds the percent of moderate-income borrowers. The bank's home refinance loan market share to low-income and to moderate-income borrowers exceeds the bank's overall market share.

The bank's percent of home refinance loans in the Sharon MSA made to low-income borrowers is significantly lower than the percent of low-income borrowers. However, this performance is adequate when poverty levels are taken into consideration. The bank's percent of home refinance loans made to moderate-income borrowers is somewhat lower than the percent of moderate-income borrowers. The bank's home refinance loan market share to low-income borrowers and to moderate-income borrowers substantially meets its overall market share.

### ***Small Loans to Businesses***

Refer to Table 11 in the state of Pennsylvania section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's small loans to businesses.

The distribution of small loans to businesses within the full-scope assessment areas is excellent. The distribution of small loans to businesses is excellent in the Johnstown and Pittsburgh MSAs and adequate in the Sharon MSA.

In the Johnstown MSA, the percent of FNBPA's small loans to small businesses (businesses with annual revenues of \$1 million or less) exceeds the percent of small businesses in the MSA. The bank's market share of small loans to small businesses exceeds its overall market share of small loans to all businesses. The percentage of the bank's loans to small businesses in amounts of \$100 thousand or less exceeds the percentage of businesses with revenue's of \$1 million or less.

The bank's percent of small loans to small businesses in the Pittsburgh MSA exceeds the percent of small businesses in the MSA. FNBPA's market share of small loans to small businesses exceeds its overall market share of small loans to all businesses. The percentage of the bank's

loans to small businesses in amounts of \$100 thousand or less exceeds the percentage of businesses with revenue's of \$1 million or less.

In the Sharon MSA, the percent of the bank's small loans to small businesses is somewhat below the percent of small businesses in the MSA. The bank's market share of small loans to small businesses exceeds its overall market share of small loans to all businesses.

### **Small Loans to Farms**

Refer to Table 12 in the state of Pennsylvania section of Appendix D for the facts and data related to the borrower distribution of the bank's origination/purchase of small loans to farms.

We did not evaluate these loans because of the low volume.

### **Community Development Lending**

Refer to Table 1 Lending Volume in the state of Pennsylvania section of Appendix D for the facts and data used to evaluate the bank's level of community development lending.

Overall, community development lending is adequate and it had a neutral impact on the Lending Test. Community development lending is adequate in the Johnstown assessment area. The bank did not originate/purchase any community development loans in the Pittsburgh or Sharon assessment areas.

In the Johnstown assessment area, community development lending is adequate. The bank originated one loan, totaling \$2.9 million, in the Johnstown full-scope assessment area. This loan was to refinance an existing mortgage on an apartment building that provides Section 8 housing. The HUD Section 8 program provides subsidized housing that is affordable to low-income tenants. The loan is responsive to affordable housing needs in the assessment area.

### **Product Innovation and Flexibility**

The bank offers two products that are considered innovative or flexible. They had a positive impact on the bank's performance under the Lending Test.

FNBPA continues to offer its Family Ownership Program, a flexible home purchase mortgage product targeting low- and moderate-income persons (based on HUD guidelines). Introduced in 1995, the product offers reduced fees and down payment requirements as well as expanded income ratios. For homes selling for less than \$50,000, there is no down payment requirement. In 2002, the bank originated 68 loans under the program totaling approximately \$2.4 million.

The bank participates in the Small Business Administration's ("SBA") Community Express Pilot Loan Program. This program is targeted to specific low- or moderate-income geographies within the bank's assessment areas. The program provides streamlined and expedited loan processing and approval as well as technical assistance to maximize the development and success potential of the small business. Technical assistance is a new, innovative element of the SBA loan program. During 2002, FNBPA originated eight loans under the program totaling \$5.4 million.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on a limited-scope review, the bank's performance under the Lending Test in the Erie MSA and Non-MSA Armstrong and Indiana counties is not inconsistent with the bank's overall "High Satisfactory" performance under the Lending Test in Pennsylvania.

In the Altoona MSA and Non-MSA Bedford, Crawford and Venango Counties, Greene, and Lawrence County assessment areas, the bank's performance is weaker than the bank's overall performance. Performance was weaker for the overall distribution of loans by income level of the geography and the overall distribution of loans by income level of the borrower, particularly as it relates to HMDA loans.

The assessment areas in the limited-scope reviews had a neutral impact on the bank's overall rating.

Refer to the Tables 1 through 12 in the state of Pennsylvania section of Appendix D for the facts and data that support this conclusion.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

Refer to Table 14 in the state of Pennsylvania section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

The bank's performance under the Investment Test in Pennsylvania is rated "Low Satisfactory", given assessment area needs, available opportunities, and the size and capacity of the bank. Based on full-scope reviews, the bank's performance in the Johnstown assessment area is adequate. Performance in the Pittsburgh assessment area is good, and the bank's performance in the Sharon assessment area is poor.

Qualified investments originated during the evaluation period demonstrate an adequate responsiveness to the credit needs of the bank's assessment areas. Credit needs identified for the areas receiving full-scope reviews included financing for small businesses, economic development, and affordable housing. None of the qualified investments made by the bank addressed the financing of small businesses or economic development needs, which were considered primary in the majority of the bank's assessment areas. Qualified investments originated during the evaluation period consisted primarily of investments in CRA-targeted mortgage-backed securities (MBS) pools. These pools contain mortgages originated to low- and moderate-income borrowers within the bank's assessment areas. MBSs provide liquidity to lending institutions so that additional mortgages can be funded. Investments in MBSs are not considered to be innovative or complex and are routinely provided by private investors.

Refer to the profiles in Appendix C for a discussion of available opportunities.

In the Johnstown assessment area, investment performance is adequate, given assessment area needs, available opportunities, and the size and capacity of the bank. Two current period investments were originated. One investment consisted of \$74,300 in mortgage-backed securities (MBSs) secured by mortgages to low- and moderate-income borrowers in the Johnstown assessment area. The other was a \$1.2 million investment made by the FNB Community Development Corporation (CDC) in a limited partnership to develop housing affordable to low- and moderate-income residents. The affordable housing investment is located in Centre County, adjacent to the Johnstown assessment area. It can benefit residents of the Johnstown MSA by providing an affordable housing alternative. Bank management designated the investment for the benefit of the Johnstown assessment area. Prior period investments in the Johnstown assessment area total \$1.1 million and represent a limited partnership investment acquired by the FNBPA CDC. The limited partnership was formed to own and operate a 28-unit apartment complex for low- and moderate-income senior citizens in Stoystown, Pennsylvania. The investment continues to meet the need for financing of affordable housing development in the bank's assessment areas.

The Johnstown assessment area is in deep economic decline with high levels of poverty and unemployment. Needs within the assessment area revolve around the creation and expansion of jobs and the local economy. Community development opportunities, as discussed in the profile in Appendix C, exist in terms of CDFI's and revolving loan and capital funds.

In the Pittsburgh assessment area, investment performance is good given available opportunities, assessment area needs, and the size and capacity of the bank. Current period investments of \$4.3 million consist almost entirely of MBSs. A current period investment of \$35 thousand to a non-profit corporation that purchases, rehabilitates and resells housing that is affordable to low- and moderate-income residents is also included. Prior period investments consist of a remaining balance of \$4,512 in MBS and a limited partnership acquired by the FNBPA CDC. The limited partnership owns and operates a multi-use property that is comprised of five apartment units for low-income tenants and an office occupied by a non-profit in Uniontown, Pennsylvania. The book value of the qualified investment is \$29,502. Prior period investments continue to have a positive impact on affordable housing needs.

As noted in the assessment area profile in Appendix C, there are numerous community development opportunities throughout the Pittsburgh assessment area, including investment opportunities that address credit needs of small businesses and economic development, as well as affordable housing development. Investment opportunities within the Pittsburgh assessment area that address economic development needs include: CDFIs, revolving loan funds, and venture capital funds.

Investment performance in the Sharon assessment area is poor, given assessment area needs, available opportunities, and the size and capacity of the bank. The current period investment of \$140 thousand represents a MBS that helps to meet affordable housing needs. The prior period investment of \$282 thousand was transferred to the FNBPA CDC and consists of a limited partnership that provides affordable housing for low- and moderate-income residents in Farrell, Pennsylvania. This investment continues to benefit the Sharon assessment area.



Primary credit needs in the Sharon assessment area included financing for small businesses and funding for economic development. Community development investment opportunities exist in the Sharon assessment area to address these needs. Opportunities exist to invest in CDFIs, CDCs, and a venture capital funds that serve several counties that include the Sharon assessment area. Refer to the Market Profile section of this report for a detailed description of credit needs in the Sharon assessment area.

### Statewide Investments

Two additional limited partnership investments were transferred to the FNB CDC. Both limited partnerships were for affordable housing in areas outside the bank's assessment areas, but within the state of Pennsylvania. One limited partnership was formed to own and operate a 58 unit apartment complex for senior citizens in Honesdale, Pennsylvania (Wayne County). All 58 units qualify for rental assistance and three are designated for the handicapped. The book value of the qualified investment is \$91,093. The other limited partnership was formed to own and operate a 30 unit apartment complex for senior citizens in Waymart, Pennsylvania. All 30 units qualify for assistance and two are designated for the handicapped. The book value of the qualified investment is \$18,490.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Based on a limited-scope review, the bank's performance under the Investment Test in the Erie MSA and the non-MSA Bedford County assessment areas is not inconsistent with the bank's overall "Low Satisfactory" performance under the Investment Test in Pennsylvania. Performance was weaker in the combined Non-MSA Armstrong and Indiana Counties, combined Non-MSA Crawford and Venango Counties, Non-MSA Green County, Non-MSA Lawrence County and Altoona MSA assessment areas. The bank did not originate any qualified investments in these assessment areas during the evaluation period. Refer to the Table 14 in the state of Pennsylvania section of Appendix D for the facts and data that support this conclusion.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

FNBPA's performance under the Service Test in Pennsylvania is rated "Outstanding". Based on full-scope reviews, the bank's performance in the Pittsburgh and Johnstown assessment areas is excellent. Performance in the Sharon MSA is good.

### **Retail Banking Services**

Refer to Table 15 in the state of Pennsylvania section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

FNBPA's delivery systems are readily accessible to geographies and individuals of different income levels throughout the full-scope assessment areas, based on the distribution of the bank's

118 branches open as of December 31, 2002. According to the bank's Public File, the distribution of current branches is consistent with the 2002 distribution. Accessibility is excellent in the Johnstown and Pittsburgh assessment areas and good in the Sharon assessment area.

In both the Johnstown and Pittsburgh assessment areas, the accessibility of delivery systems is excellent. In both assessment areas, the percent of branches located in both low-income and moderate-income geographies significantly exceeds the percent of the assessment area population residing in low-and moderate-income geographies. Alternative delivery systems consist of ATMs located at branch locations. The geographic distribution of the ATMs mirrors that of the branch network.

The accessibility of delivery systems in the Sharon assessment area is good. The percent of branches located in low-income geographies exceeds the percent of the assessment area population residing in low-income geographies. The percent of branches located in moderate-income geographies is near to the percent of population residing in moderate-income geographies. Alternative delivery systems consist of ATMs located at branch locations. The geographic distribution of the ATMs mirrors that of the branch network.

In all full-scope assessment areas, the bank's record of opening and closing branches had a neutral impact on the service test. The bank did not open or close any branches during the evaluation period. The new FNBPA branches were the result of the acquisitions/mergers previously discussed.

Throughout the full-scope assessment areas, services do not vary in a manner that inconveniences the assessment area population, particularly services accessible to low-and moderate-income geographies and low-and moderate-income individuals. FNBPA's range of services and operating hours are comparable among assessment area locations regardless of the income levels of geographies. No material differences exist between the range of services or operating hours of branches located in low-and moderate-income geographies and the range of services or operating hours of branches located in middle-and upper-income geographies.

## **Community Development Services**

Considering targeted services throughout the bank's assessment areas, the number of organizations benefiting, and the level of staff participation, FNBPA provides a good level of community development services in Pennsylvania, given available opportunities and the size and resources of the bank. Refer to the assessment area profiles in Appendix C for a discussion about available opportunities. Community development services include products targeted to low- and moderate-income residents, technical assistance, and educational programs. Although the services provided are not innovative, they are responsive to assessment area needs. Based on full-scope reviews, the bank provided an adequate level of community development service in the Johnstown assessment area. The bank provided a good level of community development services in the Pittsburgh and Sharon assessment areas.

Throughout the bank's branch network it offers certain services targeted to low- and moderate-income people. Social Security checks can be cashed without a fee at all FNBPA branches. Also, FNBPA partners with the state's economic development department to offer a family

savings account program (“FSAP”). Targeted to qualified low-income Pennsylvania residents, savings account holders receive matching funds from the department to be used for a specific predetermined use which may include a new home purchase, home improvement, job training, or entrepreneurial activities. Over the evaluation period, the bank administered 42 accounts totaling \$16 thousand within its Pennsylvania assessment areas.

Based on information received from bank management, FNBPA provided an adequate level of community development services in the Johnstown assessment area. Bank officers provide technical assistance to three community development organizations in the Johnstown assessment area. These officers use their banking expertise to assist organizations that provide services that meet the definition of community development. One officer works with a local revitalization committee that provides housing and small business assistance in the low- and moderate geographies of the assessment area. Another officer serves on the board of directors of a local industrial development corporation that promotes economic development and the revitalization and stabilization of low- and moderate-income geographies in the assessment area, and another serves on the finance committee of the local chapter of a national non-profit that provides funding to local non-profit agencies that provide free services to low- and moderate-income residents of the assessment area.

FNBPA provided a good level of community development services in the Pittsburgh assessment area. The Pittsburgh assessment area represents a relatively new market for FNBPA in which the bank has a limited presence. Officer and staff time and expertise was dedicated to providing technical assistance to two organizations in obtaining project funding. FNBPA assisted a local county housing authority in applying to the state finance agency for federal low-income rental housing tax credits for a \$2.7 million affordable housing project. The project will provide local affordable rental units for individuals meeting low-income guidelines. Also, FNBPA sponsored a local non-profit housing organization in securing a Federal Home Loan Bank (FHLB) grant. The purpose of the grant was to construct one new home and renovate one existing home to provide low-and moderate-income families with affordable housing.

Two FNBPA officers provide technical assistance in the Pittsburgh assessment area. One officer provides financial expertise in his capacity as chairperson of a local community action agency. The agency’s mission is to assist the disadvantaged residents in portions of the Pittsburgh assessment area to secure opportunities needed to maximize self-sufficiency. The agency offers more than 70 programs and services targeted to low- and moderate-income people that are designed to address poverty, unemployment and welfare dependency in an area that has some of the highest levels in the state of Pennsylvania. Another officer provides expertise in all areas of finance in his capacity as secretary of a local housing development corporation. The housing development corporation’s mission is to provide affordable housing to low-and moderate-income people through the purchase and rehabilitation or construction of new housing.

In addition, FNBPA assists a local county housing authority in providing supportive homeownership services. FNBPA provides money management classes to low-income families eligible to receive housing authority grant funding designated to assist them in obtaining housing. During the evaluation period, two FNBPA employees taught a series of money management classes that included topics such as savings, credit, and budgeting.

Over the evaluation period, FNBPA provided a good level of community development services in the Sharon assessment area, based on available opportunities. Two branch managers provide technical expertise by serving on the loan committee of a local enterprise development zone corporation. Enterprise zones are low- and moderate-income communities targeted for redevelopment by local government. The corporation is a multi-community organization, which works to provide low cost, subsidized financing for businesses that operate or plan to relocate within the described development zone and create new jobs. Two other FNBPA branch managers serve on the board of directors and on the finance committee of a community non-profit organization whose mission is to ensure equal access and opportunity for low- and moderate-income persons. The organization performs activities, which include credit counseling and sponsoring first time homebuyer's seminars.

Also, an FNBPA officer serves on the board of directors of a revolving loan fund committee in the Sharon MSA. The committee reviews loan applications from prospective borrowers applying for loans from the city's rehabilitation funds to establish, remodel, or expand a business within the city limits of an area designated as distressed by the state of Pennsylvania. Another officer serves on an economic development partnership committee. The purpose of the committee is to lend money for industrial development to businesses within the city limits of an area designated as distressed by the state of Pennsylvania. In addition, two other officers serve on a subcommittee of a local organization that assists low-and moderate-income residents to purchase a first home. Members of the committee work to identify qualified residents and provide them the technical assistance needed to purchase a home.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on a limited-scope review, the bank's performance under the Service Test in the Erie MSA, Non-MSA Armstrong and Indiana County, and Non-MSA Crawford and Venango County assessment areas is not inconsistent with the bank's overall "Outstanding" performance under the Service Test in Pennsylvania.

In the Altoona MSA and Non-MSA Bedford, Greene, and Lawrence County assessment areas, the bank's performance is weaker than the bank's overall "Outstanding" performance under the Service Test in Pennsylvania. The percent of branches in low-income and moderate-income geographies is lower than the percent of population residing in those geographies.

The assessment areas in the limited-scope reviews had a neutral impact on the bank's overall rating.

Refer to the Tables 15 in the state of Pennsylvania section of Appendix D for the facts and data that support this conclusion.

## State Rating

### State of Ohio

**CRA Rating for Ohio: SATISFACTORY**

**The lending test is rated: Low Satisfactory**  
**The investment test is rated: High Satisfactory**  
**The Service Test is rated: Low Satisfactory**

The major factors that support this rating include:

- Lending activity that reflects adequate responsiveness in meeting assessment area credit needs.
- A substantial majority of originated loans are within the bank’s assessment area.
- Adequate geographic distribution of loans in the bank’s assessment area.
- Good distribution of loans by income level of the borrower in the bank’s assessment area.
- A good level of qualified investments that are responsive to assessment area credit needs, when consideration is given to investments in the limited-scope assessment area.
- Service delivery systems that are accessible to geographies and individuals of different income levels in its assessment areas. However, poor community development services had a negative impact on the Service Test rating.

### Description of Institution’s Operations in Ohio

FNBPA operates 11 branches in Ohio. All but one of the branches was acquired through the bank’s merger with Metropolitan National Bank (“MNB”) on November 12, 2002. MNB was also owned by F. N. B. Corp, the same holding company that owns FNBPA and, until the year 2000, the bank would have qualified as a small bank under the CRA except for its affiliation with FNBPA’s holding company. At the time of the merger, MNB’s assets totaled approximately \$280 million. MNB focused its business strategy on commercial lending.

All FNBPA branches in Ohio are full service offices offering a variety of consumer and business products. Prior to the merger, mortgage and small business loan products were comparable between the two institutions.

The bank’s Ohio assessment areas are adjacent to its assessment areas in Pennsylvania. The Ohio assessment areas share the same economic issues that are present in the Pennsylvania assessment areas. In the Youngstown MSA, Trumbull and Mahoning counties have suffered decades long losses of many industries, most particularly steel, and their related jobs. As of

2002, the counties faced 6.6 percent and 7.1 percent unemployment rates respectively, figures that are significantly higher than state unemployment rate of 5.7 percent.

Refer to the Market Profiles for the State of Ohio in Appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

## **Scope of Evaluation in Ohio**

The bank has two assessment areas in Ohio. The assessment areas are larger than at the last CRA evaluation because of the acquisition/merger of MNB. The largest assessment area, and the one receiving a full-scope review, is the Youngstown assessment area. It consists of a portion of the Youngstown MSA (#9320) and includes all of Mahoning and Trumbull Counties. The Cleveland assessment area, consisting of a portion of the Cleveland-Lorain-Elyria, Ohio MSA 1680, includes all of Lake and Geauga Counties. Ratings for the state of Ohio are based on performance in the Youngstown MSA.

HMDA and small loans to businesses were used to evaluate the bank's lending performance. Because of the primary business focus of the acquired bank, small business loans received the most weight. Loans analyzed at this evaluation represent the combined activity of FNBPA and MNB. HMDA loans cover the period June 1, 2001, through December 31, 2002. Small business loans cover the period January 1 2002, through December 31, 2002, because bank management could not supply the necessary data for 2001.

Three community contacts were conducted with federal, regional and city agencies in the Youngstown assessment area. Credit needs identified include credit for business expansion in the region, funding to support economic development activities in the city of Youngstown and equity investments in revolving loan funds. The need to finance home loans for low- and moderate-income families was also noted in the city of Youngstown.

Refer to the table in Appendix A for more information on the scope of the examination.

## **LENDING TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Lending Test in Ohio is rated "Low Satisfactory". Based on a full-scope review, the bank's performance in the Youngstown assessment area is adequate.

### **Lending Activity**

Refer to Table 1 Lending Volume in the state of Ohio section of Appendix D for the facts and data used to evaluate the bank's lending activity.

Lending activity in the Youngstown MSA is adequate given the recent merger and the strategic focus of the acquired bank (commercial lending). As of June 30, 2002, the combined banks had

a deposit market share of 4.38 percent and ranked 9<sup>th</sup> among 12 financial institutions operating in the assessment area. Regarding HMDA loans, the combined institution ranked 39<sup>th</sup> among 357 HMDA reporters, the majority of which do not operate financial institutions in the assessment area. The bank's market share was 0.61 percent. For small loans to businesses, FNBPA's market share was 1.84 percent and the bank ranked 13th among 60 lenders. However, the top five lenders, who had a combined market share of 63 percent, were credit card lenders such as Capital One and GE Capital Financial, who do not take deposits in the assessment area.

## **Distribution of Loans by Income Level of the Geography**

The geographic distribution of loans is adequate. The geographic distribution of home mortgage loans is poor and the geographic distribution of small loans to businesses is good. Based on a full-scope review, the geographic distribution of loans in the Youngstown assessment area is adequate. The geographic distribution of home mortgage loans in the Youngstown assessment area is poor and the geographic distribution of small loans to businesses is good.

### ***Home Mortgage Loans***

Refer to Tables 2, 3, and 4 in the state of Ohio portion of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

The overall geographic distribution of home mortgage loans is poor. The geographic distribution of home mortgage loans in the Youngstown assessment area is poor.

The geographic distribution of home purchase loans is adequate. In the Youngstown assessment area the level of home purchase loans in low-income geographies is equal to the level of owner-occupied housing units in those geographies. In the moderate-income geographies the percent of the bank's loans is somewhat lower than the level of owner-occupied housing units in those geographies. The bank's market share of home purchase loans in low-income geographies exceeds the bank's overall market share of home purchase loans in the assessment area. The bank's market share of home purchase loans in moderate-income geographies is somewhat lower than the bank's overall market share.

The geographic distribution of home improvement loans is poor. The level of home improvement loans in both low-income and moderate-income geographies is lower than the level of owner-occupied housing units in those geographies. The bank's market share of home improvement loans in low-income geographies exceeds the bank's overall market share of home improvement loans in the assessment area. The bank's market share of home improvement loans in moderate-income geographies is somewhat lower than the bank's overall market share.

The geographic distribution of home refinance loans is poor. The level of home refinance loans in low-income geographies is lower than the level of owner-occupied housing units in those geographies. The level of home refinance loans in moderate-income geographies is significantly lower than the level of owner-occupied housing units in those geographies. The bank's market share of home refinance loans in low-income geographies exceeds the bank's overall market share of home refinance loans in the assessment area. The bank's market share of home refinance loans in moderate-income geographies is lower than the bank's overall market share.

### ***Small Loans to Businesses***

Refer to Table 6 in the state of Ohio section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small loans to businesses is good. The percent of small loans to businesses in low-income geographies exceeds the percent of businesses operating in those geographies. In moderate-income geographies, the bank's percent of small loans to businesses is somewhat lower than the percent of businesses in these geographies. The bank's market share for small loans to businesses in low-income geographies exceeds the bank's overall market share. In moderate-income geographies, the market share is somewhat lower than its overall market share.

### ***Small Loans to Farms***

The bank did not originate or purchase any small loans to farms in Ohio during the evaluation period. Consequently, Table 7 is omitted from the state of Ohio section of Appendix D.

### ***Lending Gap Analysis***

We evaluated the lending distribution of this assessment area to determine if any unexplained conspicuous gaps existed. No unexplained conspicuous gaps were identified.

### ***Inside/Outside Ratio***

This portion of the evaluation was performed at the bank level and is discussed under the state of Pennsylvania Lending Test.

### **Distribution of Loans by Income Level of the Borrower**

The distribution of loans by borrower income level is good. The borrower distribution of home mortgage loans is good and the borrower distribution of small loans to businesses is adequate. Based on a full-scope review, borrower distribution of loans in the Youngstown assessment area is good, given performance context. Borrower distribution of home mortgage loans in the Youngstown assessment area is good and the borrower distribution of small loans to businesses is adequate.

### ***Home Mortgage Loans***

Refer to Tables 8, 9, and 10 in the state of Ohio section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.



Performance related to lending to moderate-income borrowers received more weight. Performance context factors including the level of households below the poverty level, and the cost of housing in relation to income for low-income borrowers, negatively impact the ability of low-income borrowers to obtain HMDA loans. Based on the 2000 Census, 11 percent of households in the Youngstown assessment area are below the poverty level. According to the 2000 Census, the median housing value in the Youngstown assessment area is \$81,195. When compared with the 2002 HUD adjusted median income level for the assessment area of \$46,400, which allows for a low-income borrower to earn, at most, \$23,200, it indicates that it would be difficult for many low-income persons to purchase a home without some form of assistance. The variance between income and housing costs also makes it difficult for low-income borrowers to afford the other forms of HMDA credit.

*The distribution of home purchase loans among individuals of different income levels is good, given performance context.* In the Youngstown assessment area, the bank's percent of home purchase loans to low-income borrowers is somewhat lower than the percent of low-income borrowers in the assessment area. The bank's percent of home purchase loans made to moderate-income borrowers exceeds the percent of moderate-income borrowers in the assessment area. The bank's home purchase loan market share to low-income borrowers in the Youngstown assessment area exceeds the bank's overall market share. The bank's market share of loans to moderate-income borrowers is somewhat lower than the bank's overall market share.

*The distribution of home improvement loans among individuals of different income levels is good, given performance context.* In the Youngstown assessment area, the bank's percent of home improvement loans to low-income borrowers is significantly lower than the percent of low-income borrowers in the assessment area. However, this performance is adequate when performance context is considered. The bank's percent of home improvement loans made to moderate-income borrowers exceeds the percent of moderate-income borrowers in the assessment area. The bank's home improvement loan market share to low-income borrowers in the Youngstown assessment area is lower than the bank's overall market share. The bank's market share of loans to moderate-income borrowers substantially meets the bank's overall market share.

*The distribution of home refinance loans among individuals of different income levels is good, given performance context.* In the Youngstown assessment area, the bank's percent of home refinance loans to low-income borrowers is somewhat lower than the percent of low-income borrowers in the assessment area. The bank's percent of home refinance loans made to moderate-income borrowers is near to the percent of moderate-income borrowers in the assessment area. The bank's home refinance loan market share to low-income borrowers in the Youngstown assessment area exceeds the bank's overall market share. The bank's market share of loans to moderate-income borrowers is near to the bank's overall market share.

### **Small Loans to Businesses**

Refer to Table 11 in the state of Ohio section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The distribution of small loans to businesses within the Youngstown MSA is adequate. The percent of FNBPA's small loans to small businesses (businesses with annual revenues of \$1 million or less) in the Youngstown assessment area is somewhat lower than the percent of small businesses in the assessment area. The bank's market share of small loans to small businesses exceeds the bank's overall market share of small loans to all businesses in the assessment area. A majority (58 percent) of the bank's loans to small businesses is for amounts of \$100 thousand or less.

### ***Small Loans to Farms***

During the evaluation period, FNBPA did not originate or purchase any small loans to farms in the Ohio. Consequently, Table 12 in the state of Ohio section of Appendix D is omitted.

## **Community Development Lending**

Refer to Table 1 in the state of Ohio section of Appendix D for the facts and data used to evaluate the bank's level of community development lending.

Overall, community development lending is adequate and it had a neutral impact on the Lending Test. Community development lending is adequate in the Youngstown assessment area.

FNBPA originated one community development loan in the Youngstown assessment area totaling \$1.1 million. The loan was to a business meeting the size requirements under the CRA and locating into a state designated Enterprise Zone in Youngstown. Businesses locating into an Enterprise Zone agree to retain and create jobs in the area. The loan helped to meet the economic development needs in the assessment area.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on a limited-scope review, the bank's performance under the Lending Test in the Cleveland assessment area is not inconsistent with the bank's overall "Low Satisfactory" performance under the Lending Test in Ohio.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

Refer to Table 14 in the state of Ohio section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

The bank's overall performance under the Investment Test is rated "High Satisfactory." Based on a full-scope review, the bank's performance in the Youngstown assessment area is adequate. The bank's strong performance in its limited-scope assessment area had a positive impact on the Investment Test.

Qualified investments in the Youngstown assessment area are adequate, given the bank's resources and available opportunities. (Refer to the assessment area profiles in Appendix C for a discussion of available opportunities.) Current period investments, totaling \$554 thousand, consisted entirely of pools of mortgage-backed securities ("MBSs"). MBSs are secured by mortgage loans originated to low- and moderate-income borrowers in geographies in the bank's assessment area. They provide liquidity to lending institutions so that additional mortgages can be funded and are responsive to the need for affordable housing financing in the assessment area. Investments in MBSs are not considered to be innovative or complex and are routinely provided by private investors.

Qualified investments originated in previous evaluation periods consist of MBSs totaling \$5,855. Community contact information indicates that there are opportunities for investments in the Youngstown assessment area. Refer to the community profile in the Appendix of this report.

## **Conclusions for Area Receiving Limited-Scope Reviews**

Based on a limited-scope review, the bank's performance under the investment test in the Cleveland assessment area is not inconsistent with the bank's overall "High Satisfactory" performance under the Investment Test in Ohio.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Service Test in Ohio is rated "Low Satisfactory". Based on a full-scope review, the bank's performance in the Youngstown MSA is adequate. Poor community development service performance had a negative impact on the Service Test rating.

### **Retail Banking Services**

Refer to Table 15 in the state of Ohio section of Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

FNBPA's service delivery systems are accessible to geographies and individuals of different income levels, based on the distribution of branches as of December 31, 2002. According to the bank's Public File, the current distribution of branches is consistent with the distribution at December 31, 2002. Accessibility is good in the Youngstown assessment area. The percentage of assessment area branches located in low-income geographies significantly exceeds the percentage of the population that resides in low-income assessment area geographies. FNBPA does not operate any branches in moderate-income geographies. However, the branch, which FNBPA operates in a low-income geography, is immediately adjacent (one mile) to a moderate-income geography. The branch location is easily accessible from the moderate-income geography and is located in the business district used by residents of the moderate-income geography because of its proximity. Alternative delivery systems consist of ATMs located at branch locations. The geographic distribution of the ATMs mirrors that of the branch network.

The bank's record of opening and closing branches had a neutral impact on the service test. The bank did not open or close any branches. The new FNBPA branches came as a result of the previously discussed acquisition/merger.

Services do not vary in a manner that inconveniences the assessment area population particularly services accessible to low-and moderate-income geographies and low-and moderate-income individuals. FNBPA's range of services and operating hours are comparable among assessment area locations regardless of the income levels of geographies. No material differences exist between the range of services or operating hours of branches located in low-and moderate-income geographies and the range of services or operating hours of branches located in middle-and upper-income geographies.

### **Community Development Services**

FNBPA's performance in providing community development services in Ohio is poor, which had a negative impact on the Service Test rating. Based on information received from bank management, FNBPA provided no community development services in the Youngstown assessment area. Community contacts conducted for this and other examinations of institutions operating in the assessment area found that opportunities exist for such activity. (Refer to the assessment area profiles in Appendix C for a discussion about available opportunities.)

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on a limited scope review, FNBPA's performance under the Service Test in the Cleveland assessment area is not inconsistent with the bank's overall "Low Satisfactory" performance under the Service Test in Ohio.

Refer to Table 15 in the state of Ohio section of the Appendix C for the facts and data that support this conclusion.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and non-metropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD loans): 7/1/01- 12/31/02 Service Test: 8/13/01 – 12/31/02 Investment Test and CD Loans: 8/13/01 – 9/20/04	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
First National Bank of Pennsylvania	Residential Mortgage Loans Community Development Loans Small Business Loans	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
First National Community Development Corporation	Subsidiary	Investments
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Johnstown, PA MSA #3680 Pittsburgh, PA MSA #6280 Sharon, PA MSA #7610 Youngstown, OH MSA #9320	Full-Scope Full-Scope Full-Scope Full-Scope	Mahoning and Trumbull Counties only
Altoona, PA MSA #0290 Erie, PA MSA #2360 Cleveland, OH MSA #1680 Non-MSA Crawford & Venango Counties, PA Non-MSA Armstrong & Indiana Counties, PA Non-MSA Greene County, PA Non-MSA Lawrence County, PA Non-MSA Bedford County, PA	Limited-Scope Limited-Scope Limited-Scope Limited-Scope Limited-Scope Limited-Scope Limited-Scope	Lake and Geauga Counties only

## Appendix B: Summary of State Ratings

RATINGS: First National Bank of Pennsylvania				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank Rating
First National Bank of Pennsylvania	High Satisfactory	Low Satisfactory	Outstanding	Satisfactory
State:				
Pennsylvania	High Satisfactory	Low Satisfactory	Outstanding	Satisfactory
Ohio	Low Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory

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

## Appendix C: Market Profiles for Full-Scope Areas

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#### Market Profiles for Areas Receiving Full-Scope Reviews

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Sharon, PA MSA .....	C-6
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## State of Pennsylvania Full-Scope Areas

### Johnstown MSA

Demographic Information for Full Scope Area: Johnstown, PA MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	70	1.43	11.43	74.29	8.57	4.29
Population by Geography	241,247	0.80	6.13	80.43	12.63	0.00
Owner-Occupied Housing by Geography	68,336	0.44	4.24	82.28	13.04	0.00
Business by Geography	12,823	0.32	9.38	74.05	16.24	0.00
Farms by Geography	618	0.00	0.97	93.69	5.34	0.00
Family Distribution by Income Level	66,742	17.35	19.59	24.61	38.45	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	24,652	1.55	9.25	81.88	7.33	0.00
Median Family Income		26,144	Median Housing Value (2000 US Census)		\$64,061	
HUD Adjusted Median Family Income for 2002		35,000	Unemployment Rate (2002)		7.2%	
Households Below Poverty Level		15.06%				

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 US Census, 2002 HUD updated MFI, Pennsylvania Department of Labor

The Johnstown assessment area is comprised of all of MSA 3880 and consists of the counties of Cambria and Somerset. The assessment area meets regulatory requirements and does not arbitrarily exclude low- or moderate-income geographies. According to the 1990 Census, the population of the MSA is 241,247. The 2000 Census indicates an overall decline in population of approximately 4 percent. The city of Johnstown, located in Cambria County, is the economic hub of the MSA. Somerset County is predominately rural.

FNBPA is ranked 1<sup>st</sup> in deposit market share (23.47 percent) in the Johnstown MSA, as of June 30, 2003. Competition is strong, and includes large regional and community banks.

The economy of the MSA is weak, as it attempts to recover after years of stagnation. The loss of old-line manufacturing jobs continues to have an unfavorable rippling effect on the local economy. Johnstown is one of the state's five weakest cities in terms of job growth. However, the MSA has experienced some modest job gains in the healthcare industry. Major employers in the MSA are Conemaugh Valley Memorial Hospital, UPMC Lee Regional, Bestform Foundations, Inc., local and state government, and Wal-Mart Stores, Inc. The 2002 unemployment rate of Cambria and Somerset counties was 7.1 percent and 7.4 percent, respectively, considerably higher than the overall state unemployment rate of 5.7 percent. For the MSA as a whole, the 1990 Census percentage of households below the poverty level is 15 percent. The level declined to 12 percent in the 2000 Census. According to both the 1990 and 2000 Census, about 25 percent of the population is retired.



Housing in the MSA is considered affordable, particularly for moderate-income families. Low-income families would generally have difficulty, without some form of assistance. The median housing value, according to the 2000 Census, is \$64,061. The HUD adjusted median family income for 2002 is \$35,000. Accordingly, low-income families would earn, at most, \$17,500 and moderate-income families would earn, at most, \$28,000.

Primary credit needs identified through community contacts conducted for this examination and for other examinations of banks operating in the same assessment area are financing for small business, existing and start-up, in order to stimulate economic development and financing for revitalization efforts. In the city of Johnstown, there is an identified need for financing to create affordable housing.

Opportunities for the bank to make community development loans and investments are available. Opportunities include working with and providing financing to local community development financial institutions (CDFIs) and revolving loan funds operating in the area, as well as multi-county community development corporations (CDCs), including venture capital funds. There are local, state, and federal zones within the MSA targeted for economic development with the goal of stimulating and retaining jobs. Opportunities for community development service participation are greater because of the numerous organizations providing community services to low- and moderate-income individuals and families.

**Pittsburgh MSA**

Demographic Information for Full Scope Area: Pittsburgh, PA MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	780	4.74	24.87	45.13	19.62	5.64
Population by Geography	2,394,811	2.85	21.21	51.21	24.56	0.18
Owner-Occupied Housing by Geography	663,192	1.28	18.82	54.12	25.77	0.00
Business by Geography	174,785	2.75	21.79	41.23	32.24	1.99
Farms by Geography	3,119	0.51	15.29	62.14	21.87	0.19
Family Distribution by Income Level	659,389	19.58	18.32	22.75	39.36	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	249,854	5.46	31.03	51.87	11.65	0.00
Median Family Income		32,787	Median Housing Value (2000 Census)		\$87,239	
HUD Adjusted Median Family Income for 2002		48,900	Unemployment Rate (2002)		6.0%	
Households Below Poverty Level		12.71%				

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 1990 US Census, 2002 HUD updated MFI, and the Pennsylvania Department of Labor

The Pittsburgh assessment area consists of all of MSA 6280 and is comprised of the counties of Allegheny, Beaver, Butler, Fayette, Washington and Westmoreland. The assessment area meets regulatory requirements and does not arbitrarily exclude low- or moderate-income geographies. The population of the MSA is 2,394,811. The 2000 Census indicates an overall population decline of 2% for the MSA.

Allegheny County is the most populous county in the MSA, with the city of Pittsburgh being the population center. Other cities in the MSA include Butler (Butler Co.), Uniontown (Fayette Co.), Washington (Washington Co.), and Greensburg (Westmoreland Co.). Population loss in the Pittsburgh region has continued for ten straight years, with the metropolitan area losing 74,000 residents over the past decade. The population loss has extended to most of the other counties. The lone exception is Butler County, which has seen its population expand for 16 straight years. Butler County, which is adjacent to Allegheny County, has benefited from a lower tax burden than Allegheny County.

Banking competition is strong. The bank’s competitors include multi-state and regional banks, community banks, and national mortgage companies. As of June 30, 2003, the bank ranked 9<sup>th</sup> in deposit market share. The bank’s presence in the assessment area was greatly increased by the acquisition of Promistar Bank in February 2002.

The economy in the MSA is generally stagnant. Industries such as health care, education, and finance are an important part of the local economy. Other industry groups such as the high-tech industry have not gained enough momentum to make a contribution to job growth. The largest employers are UPMC Health System, West Penn Allegheny Health System, US Airways, federal and state government, and the University of Pittsburgh. The unemployment rates for the six

county MSA as of 2002 is as follows: Allegheny County (4.9 percent), Beaver County (6.4 percent), Butler County (5.1 percent), Fayette County (7.8 percent), Washington County (6.1 percent) and Westmoreland County (6.1 percent). The state unemployment rate for the same period was 5.7 percent. Twelve percent of the households in the MSA are below the poverty level. The poverty level in Fayette County leads the region at 20 percent. Poverty levels in the 2000 Census are consistent.

The median sales price of an existing single-family home in 2002 in the Pittsburgh MSA was \$101,5000, according to the National Association of Realtors. New home prices are higher. The HUD adjusted median family income for 2002 was \$48,900. The relationship between income levels and housing prices makes it difficult for many low- and moderate-income families to purchase a home without some form of assistance.

Credit needs identified in the Pittsburgh MSA are financing for affordable housing development, and economic development. Counties surrounding metropolitan Pittsburgh tended to consider resources for economic development as their primary credit need.

There are a wide range of opportunities for the bank to make community development loans and investments, particularly in the metropolitan Pittsburgh region. Community development opportunities include working with, and providing financing to local community development financial institutions (CDFIs) and community development corporations (CDCs), as well as revolving loan and venture capital funds. There are local, state, and federal zones within the MSA targeted for economic development with the goal of stimulating and retaining jobs. Opportunities for community development service participation are much greater because of the numerous organizations providing community services to low- and moderate-income individuals and families.

**Sharon MSA**

Demographic Information for Full Scope Area: Sharon, PA MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	32	9.38	9.38	75.00	6.25	0.00
Population by Geography	121,003	3.61	8.14	83.71	4.54	0.00
Owner-Occupied Housing by Geography	34,184	2.37	5.93	86.68	5.03	0.00
Business by Geography	8,092	8.11	7.08	74.67	10.15	0.00
Farms by Geography	343	0.29	0.87	94.75	4.08	0.00
Family Distribution by Income Level	33,619	17.47	19.55	25.16	37.82	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	12,446	6.44	10.73	79.99	2.83	0.00
Median Family Income		29,347	Median Housing Value (2000 Census)		\$74,304	
HUD Adjusted Median Family Income for 2002		39,500	Unemployment Rate (2002)		4.9%	
Households Below Poverty Level		12.79%				

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 1990 US Census, 2002 HUD updated MFI, and the Pennsylvania Department of Labor.

The Sharon assessment area is equivalent to MSA 7610 and consists of all of Mercer County. The assessment area meets regulatory requirements and does not arbitrarily exclude low- or moderate-income geographies. Mercer County is in the northwest portion of Pennsylvania adjacent to the Pennsylvania and Ohio border. According to the 1990 census, the Sharon MSA had a population of 121,003. The 2000 census shows almost no change. The cities of Hermitage, Sharon and Farrell are the population and economic centers. Other parts of the MSA are primarily rural. The bank ranked 1<sup>st</sup> in deposit market share (30.48%) as of June 30, 2003. Strong banking competition is received from multi-state banks and regional banks.

Economic conditions are generally considered weak. Numerous manufacturing jobs have left the area. Job growth in lower paying retail employment has occurred. However, economic conditions in the MSA are considered to weak to stimulate appreciable demand for retail goods. Sharon is one of the five weakest cities in Pennsylvania in terms of job growth through 2003. Historically, the area has been a major contributor to the iron and steel industry. Steel manufacturing makes up one fourth of the top employers in the area. A recent surge in the demand for steel has helped stabilize local industry employments. Major employers include the Sharon Regional Health System, John Maneely Company, Horizon Hospital System, Inc., state and local government, and Werner Company. The unemployment rate in Mercer County was 4.9 percent in 2002. For the MSA as a whole, the percentage of households below the poverty level is 12.79 percent, according to the 1990 Census. The 2000 Census reported a poverty level of 11 percent for the MSA. There are high levels of retirees in the MSA. The 1990 Census showed that 23 percent of the MSA population was retired, and the 2000 census showed a slight increase to 24 percent. High levels of poverty are present in Farrell and Sharon.

Housing costs are generally affordable for moderate-income families; however, low-income families would generally find it difficult to purchase a home. The median housing value in the Sharon MSA is \$74,304, according to the 2000 Census. The 2002 HUD adjusted median family income is \$39,500. Low-income families would earn, at most, \$19,750 and moderate-income families would earn, at most, \$59,443.

Consistent with area economic conditions, primary credit needs in the MSA were determined to be funding for economic development projects and small businesses. Such activities would increase the level of jobs in the area. In addition, there is a stated need for infrastructure enhancement and development financing.

Opportunities for the bank to make community development loans and investments exist on a multi-county level. Opportunities include working with, and providing financing to, local community development financial institutions (CDFIs) and community development corporations (CDCs), as well as revolving loan and venture capital funds. There are local, state, and federal zones within the MSA targeted for economic development with the goal of stimulating and retaining jobs. Opportunities for community development service participation are greater because of the number of organizations providing community services to low- and moderate-income individuals and families in the MSA.

## State of Ohio Full-Scope Areas

### Youngstown MSA

Demographic Information for Full Scope Area: Youngstown, OH MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	131	11.45	18.32	44.27	22.14	3.82
Population by Geography	492,619	6.25	13.15	50.03	30.58	0.00
Owner-Occupied Housing by Geography	135,414	4.05	11.35	52.17	32.44	0.00
Business by Geography	20,715	7.14	10.23	44.03	38.34	0.26
Farms by Geography	782	1.02	3.58	57.16	38.11	0.13
Family Distribution by Income Level	136,488	19.30	17.97	22.24	40.50	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	50,859	10.71	19.71	50.35	19.23	0.00
Median Family Income		30,605	Median Housing Value (2000 Census)		\$81,195	
HUD Adjusted Median Family Income for 2002		46,400	Unemployment Rate (2002)		5.7%	
Households Below Poverty Level		13.93%				

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 1990 US Census, 2002 HUD updated MFI, and Ohio department of Labor

The bank has designated the counties of Mahoning and Trumbull as its assessment area in the Youngstown MSA. The assessment area does not arbitrarily exclude low- or moderate-income geographies. The assessment area is primarily urban and includes the cities of Youngstown in Mahoning County and Warren in Trumbull County. The population of the assessment area is 492,619, based on the 1990 Census. The 2000 Census indicates a 2 percent decline in population over the decade. The bank’s deposit market share (3.81 percent) ranked 9<sup>th</sup> in its assessment area as of June 30, 2003. Competition in the assessment area is strong and includes multi-state and regional banks.

The economy in the assessment area is relatively stable. However, weakness in manufacturing employment continues to hamper overall job growth. The assessment area has experienced severe job cuts in the steel industry. The unemployment rates in Mahoning and Trumbull counties as of 2002 were 7.1 percent and 6.6 percent, respectively. The unemployment rate for the state of Ohio in 2002 was 5.7 percent. Major employers in the assessment area are General Motors Corporation, Delphi Corporation, HM Health Services, and Forum Health. Economic development efforts focus on diversification.

According to the 2000 Census, the median housing value in the assessment area is \$81,195. The 2002 HUD adjusted median family income is \$46,400. Therefore, low-income families would have difficulty in purchasing a home without some form of assistance.

Primary credit needs in the MSA are funding for economic development projects and small businesses. A need for affordable housing for low- and moderate-income individuals exists in the greater Youngstown area.

There is a range of community development opportunities in the Youngstown assessment area that the bank can participate in. Community development loan and investment opportunities include working with and providing financing and/or equity investments to local community development financial institutions (CDFIs) and community development corporations (CDCs), as well as revolving loan funds. The city of Youngstown has designated Empowerment Zones in order to encourage the development and expansion of businesses that will help to stimulate the local economy. Opportunities for community development service participation are much greater because of the numerous organizations providing community services to low- and moderate-income individuals and families, particularly in the city of Youngstown.

# Appendix D: Tables of Performance Data

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**DISTRIBUTION OF LOANS BY INCOME LEVEL OF THE BORROWER..... 17**

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## Content of Standardized Tables

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References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Tables without data are not included in this PE.

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As \_\_.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1

million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

**Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

**Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As \_\_.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings** - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

**Tables of Performance Data**

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**State of Pennsylvania**

# FIRST NATIONAL BANK OF PENNSYLVANIA

## Table 1. Lending Volume

LENDING VOLUME												
Geography: PENNSYLVANIA												
Evaluation Period: JULY 1, 2001 TO DECEMBER 31, 2002												
MA/Assessment Area (2002):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>												
Johnstown MSA	16.75	1,178	51,339	274	21,154	1	50	1	2,900	1,453	72,543	25.45
Pittsburgh MSA	21.51	1,330	92,431	532	58,328	4	257	0	0	1,866	151,016	28.27
Sharon MSA	22.11	1,630	103,814	288	48,478	0	0	0	0	1,918	152,292	16.84
<b>Limited Review:</b>												
Altoona MSA	1.67	107	4,644	38	5,572	0	0	0	0	145	10,216	1.29
Erie MSA	11.55	688	54,393	314	58,676	0	0	2	3,350	1,002	113,069	9.59
Non-MSA Armstrong and Indiana Counties	2.63	208	8,022	20	2,049	0	0	0	0	228	10,071	2.59
Non-MSA Bedford County	3.32	238	10,556	50	5,325	0	0	0	0	288	15,881	3.55
Non-MSA Crawford and Venango Counties	14.26	1,005	51,484	232	32,878	0	0	0	0	1,237	84,362	6.37
Non-MSA Greene County	1.06	52	1,977	40	3,326	0	0	0	0	92	5,303	1.62
Non-MSA Lawrence County	5.13	338	24,413	107	19,481	0	0	0	0	445	43,894	4.41

\* Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is From August 19, 2001 to September 20, 2004.

\*\*\* Deposit Data as of June 30, 2002. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE															Geography: PENNSYLVANIA					Evaluation Period: JULY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
Johnstown MSA	155	14.00	0.44	0.00	4.24	4.52	82.28	85.16	13.04	10.32	6.18	0.00	11.67	6.64	3.52									
Pittsburgh MSA	144	13.01	1.28	1.39	18.82	29.86	54.12	52.08	25.77	16.67	0.28	0.48	0.73	0.30	0.11									
Sharon MSA	316	28.55	2.37	0.95	5.93	4.75	86.68	86.39	5.03	7.91	11.40	50.00	12.50	11.13	14.10									
<b>Limited Review:</b>																								
Altoona MSA	12	1.08	0.41	0.00	9.66	8.33	77.76	83.33	12.17	8.33	0.71	0.00	0.78	0.78	0.37									
Erie MSA	125	11.29	2.11	3.20	10.00	11.20	67.68	57.60	20.22	28.00	1.99	5.97	2.79	1.81	1.91									
Non-MSA Armstrong and Indiana Counties	24	2.17	0.00	0.00	12.54	12.50	82.22	83.33	5.24	4.17	2.13	0.00	2.59	2.18	1.09									
Non-MSA Bedford County	26	2.35	0.00	0.00	18.17	19.23	81.83	80.77	0.00	0.00	6.45	0.00	7.25	6.29	0.00									
Non-MSA Crawford and Venango Counties	207	18.70	0.00	0.00	6.54	5.31	91.20	94.20	2.27	0.48	9.02	0.00	9.88	9.23	1.96									
Non-MSA Greene County	4	0.36	0.00	0.00	25.82	0.00	74.18	100.00	0.00	0.00	1.44	0.00	0.00	1.80	0.00									
Non-MSA Lawrence County	94	8.49	1.20	0.00	12.78	5.32	76.93	63.83	9.10	30.85	4.75	0.00	2.29	4.12	10.46									

\* Based on 2002 Peer Mortgage Data: Northeast Region 2.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT															Geography: PENNSYLVANIA				Evaluation Period: JULY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*												
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp								
<b>Full Review:</b>																							
Johnstown MSA	353	20.79	0.44	0.28	4.24	1.42	82.28	88.10	13.04	10.20	24.01	25.00	16.67	24.53	21.43								
Pittsburgh MSA	362	21.32	1.28	0.28	18.82	30.39	54.12	59.12	25.77	10.22	2.49	0.00	4.37	2.73	0.89								
Sharon MSA	359	21.14	2.37	1.67	5.93	7.24	86.68	85.24	5.03	5.85	41.56	30.77	57.69	40.04	56.67								
<b>Limited Review:</b>																							
Altoona MSA	48	2.83	0.41	0.00	9.66	8.33	77.76	72.92	12.17	18.75	9.56	0.00	11.11	8.82	13.85								
Erie MSA	131	7.71	2.11	0.76	10.00	14.50	67.68	64.12	20.22	20.61	5.92	3.57	3.97	5.98	7.08								
Non-MSA Armstrong and Indiana Counties	76	4.48	0.00	0.00	12.54	32.89	82.22	67.11	5.24	0.00	10.63	0.00	20.00	9.24	0.00								
Non-MSA Bedford County	76	4.48	0.00	0.00	18.17	14.47	81.83	85.53	0.00	0.00	23.53	0.00	16.18	25.49	0.00								
Non-MSA Crawford and Venango Counties	211	12.43	0.00	0.00	6.54	3.32	91.20	95.73	2.27	0.95	21.29	0.00	17.14	21.44	28.57								
Non-MSA Greene County	18	1.06	0.00	0.00	25.82	22.22	74.18	77.78	0.00	0.00	16.98	0.00	14.29	17.95	0.00								
Non-MSA Lawrence County	64	3.77	1.20	0.00	12.78	10.94	76.93	70.31	9.10	18.75	12.26	0.00	9.43	11.59	25.00								

\* Based on 2002 Peer Mortgage Data: Northeast Region 2.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE															Geography: PENNSYLVANIA					Evaluation Period: JULY 1, 2001 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
Johnstown MSA	670	16.90	0.44	0.45	4.24	1.79	82.28	85.67	13.04	12.09	13.04	20.00	12.37	13.91	8.99									
Pittsburgh MSA	821	20.71	1.28	1.10	18.82	20.83	54.12	63.09	25.77	14.86	0.90	1.33	1.69	1.16	0.33									
Sharon MSA	955	24.09	2.37	0.10	5.93	3.77	86.68	86.39	5.03	9.74	18.46	0.00	17.78	18.28	22.59									
<b>Limited Review:</b>																								
Altoona MSA	46	1.16	0.41	0.00	9.66	8.70	77.76	69.57	12.17	21.74	1.30	0.00	1.79	1.21	1.55									
Erie MSA	431	10.87	2.11	0.93	10.00	6.96	67.68	60.79	20.22	31.32	2.97	1.67	3.35	2.88	3.13									
Non-MSA Armstrong and Indiana Counties	108	2.72	0.00	0.00	12.54	24.07	82.22	75.93	5.24	0.00	3.71	0.00	6.58	3.53	0.00									
Non-MSA Bedford County	136	3.43	0.00	0.00	18.17	16.18	81.83	83.82	0.00	0.00	12.19	0.00	10.95	12.47	0.00									
Non-MSA Crawford and Venango Counties	587	14.81	0.00	0.00	6.54	4.77	91.20	93.87	2.27	1.36	10.66	0.00	9.09	10.96	2.94									
Non-MSA Greene County	30	0.76	0.00	0.00	25.82	13.33	74.18	86.67	0.00	0.00	5.45	0.00	4.30	5.69	0.00									
Non-MSA Lawrence County	180	4.54	1.20	0.00	12.78	4.44	76.93	72.22	9.10	23.33	5.99	0.00	1.53	5.87	10.22									

\* Based on 2002 Peer Mortgage Data: Northeast Region 2.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.



## Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY															
Geography: PENNSYLVANIA															
Evaluation Period: JULY 1, 2001 TO DECEMBER 31, 2002															
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Sharon MSA	0	0.00	15.78	0.00	12.26	0.00	69.23	0.00	2.72	0.00	0.00	0.00	0.00	0.00	
Pittsburgh MSA	3	60.00	8.96	0.00	24.26	33.33	39.06	33.33	27.64	33.33	2.17	0.00	2.70	1.49	3.23
Johnstown MSA	0	0.00	6.73	0.00	26.39	0.00	51.07	0.00	15.81	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review:</b>															
Non-MSA Lawrence County	0	0.00	15.91	0.00	37.35	0.00	42.00	0.00	4.73	0.00	0.00	0.00	0.00	0.00	
Non-MSA Greene County	0	0.00	0.00	0.00	2.26	0.00	97.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Non-MSA Crawford and Venango Counties	0	0.00	0.00	0.00	27.05	0.00	65.58	0.00	7.37	0.00	0.00	0.00	0.00	0.00	
Non-MSA Bedford County	0	0.00	0.00	0.00	2.08	0.00	97.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Non-MSA Armstrong and Indiana Counties	0	0.00	0.00	0.00	15.92	0.00	60.36	0.00	23.72	0.00	0.00	0.00	0.00	0.00	
Erie MSA	1	20.00	14.70	0.00	12.85	0.00	45.25	0.00	27.20	100.00	16.67	0.00	0.00	0.00	50.00
Altoona MSA	1	20.00	19.73	0.00	13.67	0.00	54.56	100.00	12.04	0.00	11.11	0.00	0.00	12.50	0.00

\* Based on 2002 Peer Mortgage Data: Northeast Region 2.

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

## Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES															
Geography: PENNSYLVANIA															
Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002															
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Johnstown MSA	274	14.46	0.32	0.00	9.38	4.01	74.05	82.85	16.24	13.14	6.21	0.00	4.44	7.06	5.73
Pittsburgh MSA	532	28.07	2.75	3.20	21.79	40.23	41.23	39.66	32.24	16.92	0.97	0.96	2.37	0.87	0.50
Sharon MSA	288	15.20	8.11	8.33	7.08	4.17	74.67	74.65	10.15	12.85	10.74	13.91	12.30	10.58	17.39
<b>Limited Review:</b>															
Altoona MSA	38	2.01	5.55	2.63	10.33	0.00	73.10	86.84	11.02	10.53	1.17	0.45	0.00	1.66	0.94
Erie MSA	314	16.57	10.56	7.96	12.35	12.42	58.38	56.05	18.71	23.57	4.85	4.52	6.45	4.46	6.21
Non-MSA Armstrong and Indiana Counties	20	1.06	0.00	0.00	18.24	30.00	65.03	65.00	16.73	5.00	0.71	0.00	1.39	0.93	0.00
Non-MSA Bedford County	50	2.64	0.00	0.00	13.42	16.00	86.58	84.00	0.00	0.00	3.54	0.00	5.26	3.87	0.00
Non-MSA Crawford and Venango Counties	232	12.24	0.00	0.00	22.59	14.22	75.34	84.05	2.06	1.72	6.47	0.00	8.45	6.91	2.15
Non-MSA Greene County	40	2.11	0.00	0.00	14.74	15.00	85.26	85.00	0.00	0.00	7.26	0.00	3.08	9.63	0.00
Non-MSA Lawrence County	107	5.65	3.08	4.67	28.36	23.36	52.66	40.19	15.90	31.78	5.40	7.81	6.42	4.53	9.70

\* Based on 2002 Peer Small Business Data: US and PR.

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

\*\*\* Source Data - Dun and Bradstreet (2002).

## Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS															
Geography: PENNSYLVANIA															
Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002															
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Johnstown MSA	1	20.00	0.00	0.00	0.97	0.00	93.69	100.00	5.34	0.00	1.71	0.00	0.00	1.72	0.00
Pittsburgh MSA	4	80.00	0.51	0.00	15.29	25.00	62.14	50.00	21.87	25.00	7.02	0.00	18.18	5.56	0.00
Sharon MSA	0	0.00	0.29	0.00	0.87	0.00	94.75	0.00	4.08	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>															
Altoona MSA	0	0.00	0.76	0.00	2.67	0.00	87.40	0.00	9.16	0.00	0.00	0.00	0.00	0.00	0.00
Erie MSA	0	0.00	0.85	0.00	5.28	0.00	80.58	0.00	13.29	0.00	0.00	0.00	0.00	0.00	0.00
Non-MSA Armstrong and Indiana Counties	0	0.00	0.00	0.00	16.80	0.00	77.43	0.00	5.77	0.00	0.00	0.00	0.00	0.00	0.00
Non-MSA Bedford County	0	0.00	0.00	0.00	8.96	0.00	91.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non-MSA Crawford and Venango Counties	0	0.00	0.00	0.00	5.19	0.00	94.62	0.00	0.19	0.00	0.00	0.00	0.00	0.00	0.00
Non-MSA Greene County	0	0.00	0.00	0.00	33.33	0.00	66.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non-MSA Lawrence County	0	0.00	0.52	0.00	2.08	0.00	81.77	0.00	15.63	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2002 Peer Small Business Data: US and PR.

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2002).

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: PENNSYLVANIA					Evaluation Period: JULY 1, 2001 TO DECEMBER 31, 2002									
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Johnstown MSA	155	14.00	17.35	5.88	19.59	16.34	24.61	19.61	38.45	58.17	6.86	8.49	7.67	5.52	7.09	
Pittsburgh MSA	144	13.01	19.58	8.63	18.32	22.30	22.75	17.99	39.36	51.08	0.33	0.50	0.40	0.20	0.35	
Sharon MSA	316	28.55	17.47	8.65	19.55	20.19	25.16	24.36	37.82	46.79	13.73	26.56	12.78	12.25	13.64	
<b>Limited Review:</b>																
Altoona MSA	12	1.08	19.05	16.67	18.64	33.33	24.80	16.67	37.52	33.33	0.86	1.89	1.13	0.56	0.69	
Erie MSA	125	11.29	18.77	9.84	18.22	19.67	24.91	16.39	38.11	54.10	2.26	2.45	2.56	1.44	2.60	
Non-MSA Armstrong and Indiana Counties	24	2.17	19.97	8.33	20.46	25.00	23.80	20.83	35.77	45.83	2.42	2.70	3.19	1.75	2.49	
Non-MSA Bedford County	26	2.35	21.22	3.85	23.28	42.31	25.92	26.92	29.57	26.92	7.45	7.14	15.49	6.36	4.55	
Non-MSA Crawford and Venango Counties	207	18.70	19.73	10.78	20.79	28.43	23.62	23.53	35.86	37.25	9.92	13.33	13.33	7.69	9.07	
Non-MSA Greene County	4	0.36	25.74	50.00	20.72	25.00	21.00	0.00	32.54	25.00	1.63	12.50	2.63	0.00	0.86	
Non-MSA Lawrence County	94	8.49	19.76	9.68	20.71	20.43	24.11	21.51	35.41	48.39	5.65	3.61	6.00	3.31	7.88	

\* Based on 2002 Peer Mortgage Data: Northeast Region 2.

\*\* As a percentage of loans with borrower income information available. No information was available for 1.63% of loans originated and purchased by BANK.

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

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

## Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: PENNSYLVANIA					Evaluation Period: JULY 1, 2001 TO DECEMBER 31, 2002									
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Johnstown MSA	353	20.79	17.35	9.51	19.59	14.99	24.61	25.94	38.45	49.57	27.78	30.28	27.66	28.13	27.22	
Pittsburgh MSA	362	21.32	19.58	11.20	18.32	20.73	22.75	29.41	39.36	38.66	3.22	3.08	3.35	3.87	2.82	
Sharon MSA	359	21.14	17.47	8.77	19.55	21.05	25.16	24.56	37.82	45.61	41.56	50.00	41.84	37.06	42.56	
<b>Limited Review:</b>																
Altoona MSA	48	2.83	19.05	4.26	18.64	19.15	24.80	31.91	37.52	44.68	9.98	4.55	9.89	10.79	10.66	
Erie MSA	131	7.71	18.77	10.08	18.22	19.38	24.91	29.46	38.11	41.09	5.97	5.00	5.86	6.03	6.16	
Non-MSA Armstrong and Indiana Counties	76	4.48	19.97	15.79	20.46	22.37	23.80	22.37	35.77	39.47	11.66	16.67	12.59	8.06	12.82	
Non-MSA Bedford County	76	4.48	21.22	14.67	23.28	17.33	25.92	34.67	29.57	33.33	24.43	26.19	20.63	27.37	23.36	
Non-MSA Crawford and Venango Counties	211	12.43	19.73	12.86	20.79	24.29	23.62	30.95	35.86	31.90	21.56	29.17	26.77	21.05	17.13	
Non-MSA Greene County	18	1.06	25.74	5.56	20.72	0.00	21.00	38.89	32.54	55.56	20.69	11.11	0.00	35.00	19.61	
Non-MSA Lawrence County	64	3.77	19.76	9.52	20.71	7.94	24.11	19.05	35.41	63.49	13.64	8.82	6.12	8.91	20.55	

\* Based on 2002 Peer Mortgage Data: Northeast Region 2.

\*\* As a percentage of loans with borrower income information available. No information was available for 2.00% of loans originated and purchased by BANK.

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

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

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: PENNSYLVANIA				Evaluation Period: JULY 1, 2001 TO DECEMBER 31, 2002					Market Share*				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Johnstown MSA	670	16.90	17.35	3.29	19.59	10.34	24.61	24.45	38.45	61.91	14.84	14.29	13.36	15.46	14.91	
Pittsburgh MSA	821	20.71	19.58	6.23	18.32	18.58	22.75	27.93	39.36	47.26	1.03	1.17	1.29	1.24	0.86	
Sharon MSA	955	24.09	17.47	4.22	19.55	13.95	25.16	23.46	37.82	58.38	20.80	19.71	19.82	20.33	21.37	
<b>Limited Review:</b>																
Altoona MSA	46	1.16	19.05	4.55	18.64	6.82	24.80	27.27	37.52	61.36	1.44	1.23	0.63	1.46	1.69	
Erie MSA	431	10.87	18.77	5.20	18.22	11.11	24.91	23.88	38.11	59.81	3.32	2.57	3.16	3.12	3.50	
Non-MSA Armstrong and Indiana Counties	108	2.72	19.97	8.65	20.46	18.27	23.80	32.69	35.77	40.38	4.09	6.25	4.56	4.56	3.38	
Non-MSA Bedford County	136	3.43	21.22	6.87	23.28	17.56	25.92	29.77	29.57	45.80	13.62	18.37	13.14	13.06	13.66	
Non-MSA Crawford and Venango Counties	587	14.81	19.73	7.12	20.79	18.23	23.62	27.43	35.86	47.22	11.83	16.58	13.16	11.40	11.07	
Non-MSA Greene County	30	0.76	25.74	6.67	20.72	16.67	21.00	30.00	32.54	46.67	6.01	6.67	7.04	6.00	5.65	
Non-MSA Lawrence County	180	4.54	19.76	3.95	20.71	7.91	24.11	20.90	35.41	67.23	6.94	4.46	3.68	4.82	9.62	

\* Based on 2002 Peer Mortgage Data: Northeast Region 2.

\*\* As a percentage of loans with borrower income information available. No information was available for 2.88% of loans originated and purchased by BANK.

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

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

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: PENNSYLVANIA			Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002					
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*		
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less	
<b>Full Review:</b>										
Johnstown MSA	274	14.46	70.39	73.36	78.83	15.33	5.84	6.21	12.71	
Pittsburgh MSA	532	28.07	61.92	64.66	71.05	17.67	11.28	0.97	1.84	
Sharon MSA	288	15.20	66.45	53.82	58.33	24.31	17.36	10.74	16.08	
<b>Limited Review:</b>										
Altoona MSA	38	2.01	68.26	50.00	68.42	15.79	15.79	1.17	1.78	
Erie MSA	314	16.57	62.95	52.23	54.46	25.80	19.75	4.85	8.08	
Non-MSA Armstrong and Indiana Counties	20	1.06	71.38	75.00	75.00	15.00	10.00	0.71	1.56	
Non-MSA Bedford County	50	2.64	77.34	44.00	76.00	16.00	8.00	3.54	4.11	
Non-MSA Crawford and Venango Counties	232	12.24	72.70	50.43	62.50	22.84	14.66	6.47	10.38	
Non-MSA Greene County	40	2.11	71.78	62.50	80.00	10.00	10.00	7.26	16.08	
Non-MSA Lawrence County	107	5.65	67.20	57.01	55.14	23.36	21.50	5.40	9.53	

\* Based on 2002 Peer Small Business Data: US and PR.

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&amp;B - 2002).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 10.61% of small loans to businesses originated and purchased by the bank.

**Table 12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS		Geography: PENNSYLVANIA			Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Johnstown MSA	1	20.00	97.41	100.00	100.00	0.00	0.00	1.71	1.89
Pittsburgh MSA	4	80.00	93.91	100.00	75.00	25.00	0.00	7.02	11.76
Sharon MSA	0	0.00	95.92	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>									
Altoona MSA	0	0.00	93.89	0.00	0.00	0.00	0.00	0.00	0.00
Erie MSA	0	0.00	91.82	0.00	0.00	0.00	0.00	0.00	0.00
Non-MSA Armstrong and Indiana Counties	0	0.00	94.49	0.00	0.00	0.00	0.00	0.00	0.00
Non-MSA Bedford County	0	0.00	98.21	0.00	0.00	0.00	0.00	0.00	0.00
Non-MSA Crawford and Venango Counties	0	0.00	95.58	0.00	0.00	0.00	0.00	0.00	0.00
Non-MSA Greene County	0	0.00	93.33	0.00	0.00	0.00	0.00	0.00	0.00
Non-MSA Lawrence County	0	0.00	96.35	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2002 Peer Small Business Data: US and PR.

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&amp;B - 2002).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.



## Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
Geography: PENNSYLVANIA									
Evaluation Period: August 14, 2002 to September 20, 2004									
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Johnstown MSA	1	1,102	2	1,240	3	2,342	30.80	0	0
Pittsburgh MSA	2	34	9	4,337	11	4,371	57.49	0	0
Sharon MSA	1	282	1	140	2	422	5.55	0	0
<b>Limited Review:</b>									
Altoona MSA	1	56	0	0	1	56	.74	0	0
Erie MSA	1	3	1	170	2	173	2.28	0	0
Non-MSA Armstrong and Indiana Counties	0	0	0	0	0	0	0.00	0	0
Non-MSA Bedford County	0	0	1	52	1	52	.68	0	0
Non-MSA Crawford and Venango Counties	1	2	0	0	1	2	.03	0	0
Non-MSA Greene County	0	0	0	0	0	0	0.00	0	0
Non-MSA Lawrence County	1	75	0	0	1	75	.99	0	0
Statewide	2	110	0	0	2	110	1.45		

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

\*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

## Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																		
Geography: PENNSYLVANIA																		
Evaluation Period: AUGUST 14,2001 TO DECEMBER 31, 2002																		
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population				
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography				
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp	
<b>Full Review:</b>																		
Johnstown MSA	25.45	32	27.12	3.13	12.50	68.75	15.63	0	0	0	0	0	0	0.80	6.13	80.43	12.63	
Pittsburgh MSA	28.27	41	34.75	7.32	34.15	51.22	7.32	0	0	0	0	0	0	2.85	21.21	51.21	24.56	
Sharon MSA	16.84	14	11.86	7.14	7.14	78.57	7.14	0	0	0	0	0	0	3.61	8.14	83.71	4.54	
<b>Limited Review:</b>																		
Altoona MSA	1.29	2	1.69	0.00	0.00	100.00	0.00	0	0	0	0	0	0	1.30	12.22	74.81	11.67	
Erie MSA	9.59	8	6.78	12.50	12.50	75.00	0.00	0	0	0	0	0	0	5.16	13.32	63.76	17.76	
Non-MSA Armstrong and Indiana Counties	2.59	3	2.54	0.00	33.33	66.67	0.00	0	0	0	0	0	0	0.00	12.92	77.09	10.00	
Non-MSA Bedford County	3.55	5	4.24	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	17.65	82.35	0.00	
Non-MSA Crawford and Venango Counties	6.37	7	5.93	0.00	14.29	85.71	0.00	0	0	0	0	0	0	0.00	8.82	87.88	3.30	
Non-MSA Greene County	1.62	2	1.69	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	24.72	75.28	0.00	
Non-MSA Lawrence County	4.41	4	3.39	25.00	0.00	25.00	50.00	0	0	0	0	0	0	2.61	15.39	72.90	9.11	

## Tables of Performance Data

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### State of Ohio

# FIRST NATIONAL BANK OF PENNSYLVANIA

## Table 1. Lending Volume

LENDING VOLUME												Geography: OHIO		Evaluation Period: JULY 1, 2001 TO DECEMBER 31, 2002	
MA/Assessment Area (2002):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***			
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)				
<b>Full Review:</b>															
Youngstown	88.52	288	19,516	174	26,660	0	0	1	1,100	463	47,276	92.94			
<b>Limited Review:</b>															
Cleveland	11.48	10	632	50	6,034	0	0	0	0	60	6,666	7.06			

\* Loan Data as of December 31, 2002. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is From August 14, 2001 to September 20, 2004.

\*\*\* Deposit Data as of June 30, 2002. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

## Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: OHIO				Evaluation Period: JULY 1, 2001 TO DECEMBER 31, 2002										
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography <sup>*</sup>					
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Youngstown	50	96.15	4.05	4.00	11.35	6.00	52.17	46.00	32.44	44.00	0.48	2.38	0.32	0.37	0.58	
<b>Limited Review:</b>																
Cleveland	2	3.85	5.92	50.00	10.30	0.00	50.22	0.00	33.54	50.00	0.01	0.05	0.00	0.00	0.01	

<sup>\*</sup> Based on 2002 Peer Mortgage Data: Central Region.

<sup>\*\*</sup> Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

### Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT															
Geography: OHIO															
Evaluation Period: JULY 1, 2001 TO DECEMBER 31, 2002															
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Youngstown	54	94.74	4.05	1.85	11.35	5.56	52.17	74.07	32.44	18.52	3.56	4.17	2.14	4.60	2.25
<b>Limited Review:</b>															
Cleveland	3	5.26	5.92	0.00	10.30	0.00	50.22	100.00	33.54	0.00	0.07	0.00	0.00	0.14	0.00

\* Based on 2002 Peer Mortgage Data: Central Region.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

### Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE															
Geography: OHIO															
Evaluation Period: JULY 1, 2001 TO DECEMBER 31, 2002															
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography <sup>*</sup>				
	#	% of Total <sup>**</sup>	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	% Owner Occ Units <sup>***</sup>	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Youngstown	183	97.34	4.05	1.64	11.35	2.19	52.17	73.22	32.44	22.95	1.02	1.19	0.28	1.51	0.61
<b>Limited Review:</b>															
Cleveland	5	2.66	5.92	0.00	10.30	0.00	50.22	80.00	33.54	20.00	0.01	0.00	0.00	0.01	0.00

<sup>\*</sup> Based on 2002 Peer Mortgage Data: Central Region.

<sup>\*\*</sup> Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

<sup>\*\*\*</sup> Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

## Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES															
Geography: OHIO															
Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002															
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Youngstown	174	77.68	7.14	10.92	10.23	7.47	44.03	35.63	38.34	45.98	1.85	3.85	1.19	1.47	2.38
<b>Limited Review:</b>															
Cleveland	50	22.32	8.64	0.00	9.01	2.00	41.23	54.00	37.15	44.00	0.13	0.00	0.06	0.18	0.14

\* Based on 2002 Peer Small Business Data: US and PR.

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

\*\*\* Source Data - Dun and Bradstreet (2002).



**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: OHIO				Evaluation Period: JULY 1, 2001 TO DECEMBER 31, 2002					Market Share*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****					
<b>Full Review:</b>															
Youngstown	50	96.15	19.30	10.42	17.97	18.75	22.24	27.08	40.50	43.75	0.53	0.81	0.44	0.39	0.64
<b>Limited Review:</b>															
Cleveland	2	3.85	20.22	0.00	17.00	0.00	23.55	0.00	39.23	100.00	0.01	0.00	0.00	0.00	0.02

\* Based on 2002 Peer Mortgage Data: Central Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 3.85% of loans originated and purchased by BANK.

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

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

## Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: OHIO					Evaluation Period: JULY 1, 2001 TO DECEMBER 31, 2002									
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Youngstown	54	94.74	19.30	1.92	17.97	23.08	22.24	30.77	40.50	44.23	3.69	0.62	3.68	3.66	4.79	
<b>Limited Review:</b>																
Cleveland	3	5.26	20.22	0.00	17.00	50.00	23.55	0.00	39.23	50.00	0.05	0.00	0.10	0.00	0.09	

\* Based on 2002 Peer Mortgage Data: Central Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 5.26% of loans originated and purchased by BANK.

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

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

## Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: OHIO				Evaluation Period: JULY 1, 2001 TO DECEMBER 31, 2002									
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>*</sup>				
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Youngstown	183	97.34	19.30	11.73	17.97	16.76	22.24	24.58	40.50	46.93	1.12	1.88	1.01	1.00	1.12
<b>Limited Review:</b>															
Cleveland	5	2.66	20.22	20.00	17.00	0.00	23.55	60.00	39.23	20.00	0.01	0.02	0.00	0.02	0.00

<sup>\*</sup> Based on 2002 Peer Mortgage Data: Central Region.

<sup>\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 2.13% of loans originated and purchased by BANK.

<sup>\*\*\*</sup> Percentage of Families is based on the 1990 Census information.

<sup>\*\*\*\*</sup> Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

## Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: OHIO			Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2002				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share *	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Youngstown	174	77.68	78.49	45.98	58.05	24.14	17.82	1.85	2.26
<b>Limited Review:</b>									
Cleveland	50	22.32	76.63	66.00	62.00	30.00	8.00	0.13	0.26

\* Based on 2002 Peer Small Business Data: US and PR.

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2002).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 11.16% of small loans to businesses originated and purchased by the bank.

## Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
		Geography: OHIO		Evaluation Period: August 14, 2001 TO September 20, 2004					
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Youngstown	1	6	2	554	3	560	18.78	0	0
<b>Limited Review:</b>									
Cleveland	0	0	4	2,422	4	2,422	81.22	0	0

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

\*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

## Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																		
Geography: OHIO																		
Evaluation Period: August 14, 2001 TO DECEMBER 31, 2002																		
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population				
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography				
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp	
<b>Full Review:</b>																		
Youngstown	92.94	8	72.73	12.50	0.00	62.50	25.00	0	0	0	0	0	0	6.25	13.15	50.03	30.58	
<b>Limited Review:</b>																		
Cleveland	7.06	3	27.27	0.00	0.00	66.67	33.33	0	0	0	0	0	0	12.07	14.19	45.31	28.34	