



# LARGE BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## Public Disclosure

June 17, 2002

### Community Reinvestment Act

## Performance Evaluation

Omega Bank, N.A.  
Charter Number: 31  
117 South Allen Street  
State College, Pennsylvania 16801

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Northeastern District  
Pittsburgh Field Office  
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**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 **Omega Bank, N.A.** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Omega Bank, N.A. Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		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.

The major factors that support this rating include:

- The distribution of home mortgage loans by the income level of the geographies is good.
- The distribution of small loans to businesses by the income level of the geographies is good.
- The distribution of home mortgage loans by the income level of the borrowers is adequate.
- The distribution of small loans to small businesses (revenues of \$1 million or less) is good.
- The bank made an adequate level of community development investments.
- The bank's service delivery system is accessible to geographies and individuals of different income levels throughout its assessment areas.
- The bank provides an adequate level of community development services.

## 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 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 householder 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 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 area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), 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

Omega Bank, N.A. (“OBNA”) is a wholly-owned subsidiary of Omega Financial Corporation (“OFC”). OFC is a \$1 billion bank and financial services holding company headquartered in State College, Pennsylvania. Its non-banking subsidiaries consist of Central Pennsylvania Life Insurance Company, Central Pennsylvania Investment Company, and Central Pennsylvania Leasing Company. These subsidiaries do not have any impact on OBNA’s ability to meet the credit needs of its community. OBNA is headquartered in State College, Pennsylvania. The bank does not have any subsidiaries. In 2001 OFC merged its two former subsidiary banks, Hollidaysburg Trust Company (HTC) and Penn Central National Bank (PCNB), into OBNA. Branches of the former HTC and PCNB continue to operate under their original bank names. The bank operates 43 branches and 40 automatic teller machines (ATMs) in the counties of Bedford, Blair, Centre, Clinton, Huntingdon, Juniata, and Mifflin.

OBNA is a full service intrastate bank offering a wide variety of products and services. In addition to residential mortgage loans, commercial loans, and consumer loans, the bank originates loans under lending programs sponsored by the Small Business Administration (SBA), Pennsylvania Higher Education Assistance Agency (PHEAA), and Pennsylvania Housing Finance Agency (PHFA). The lending strategy focuses on residential mortgage lending and small business loans. Bank assets totaled \$1.1 billion as of December 31, 2001. Net loans of \$749.1 million represented 66 percent of total assets. The loan portfolio is comprised of 43 percent residential mortgage loans, 25 percent commercial real estate loans, 11 percent business loans, 8 percent consumer loans, and 13 percent other types of loans. Tier I capital totaled \$134.8 million.

There are no financial or legal impediments to the bank’s ability to help meet the credit needs of its assessment areas (AAs). OBNA was rated “**Satisfactory**” at its last CRA examination dated June 7, 1999.

## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

The lending test evaluated home purchase loans, home mortgage refinance loans, small loans to businesses, and small loans to farms for the period from January 1, 1999 through December 31, 2001. The Investment Test and Service Test evaluated the bank's performance for the period from June 8, 1999 through June 10, 2002. Home improvement loans were not reviewed because the bank does not report home improvement loans under HMDA. Small loans to farms did not weigh heavily in arriving at overall conclusions under the Lending Test.

### **Data Integrity**

A data integrity review was conducted on February 11, 2002. HMDA reportable loans were sampled for the period January 1, 2000 to December 31, 2001. Errors identified in the HMDA data were corrected prior to the commencement of this examination. CD loans reported by the bank were reviewed. None of the loans were qualified community development loans. Data on small loans to businesses was not available in reportable format during the data integrity review. The small loan to businesses data was validated during this examination.

### **Selection of Areas for Full-Scope Review**

The bank has 2 assessment areas (AAs). The AAs are the State College MSA 8050 and the non-MSA AA comprised of the counties of Juniata, Mifflin, and Clinton. Both AAs were selected for a full-scope review.

### **Ratings**

The bank's overall rating is based evenly on an evaluation of the performance in both AAs.

### **Other**

Four community contacts were held with economic development agencies representing all of the AAs and housing agencies in Centre County. Credit needs in the AAs are loans for small businesses and first-time homebuyers. Numerous financing programs are available in the AAs that can be leveraged with bank lending.

## **Fair Lending Review**

An analysis of the most recent public comments and consumer complaint information was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending exam was performed in 1999.

## **Conclusions with Respect to Performance Tests**

### **LENDING TEST**

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

The bank's performance under the lending test is rated "High Satisfactory". Based on full-scope reviews, the bank's performance in the State College MSA and non-MSA is good.

#### **Lending Activity**

Refer to Tables 1 Lending Volume and 1 Other in appendix C for the facts and data used to evaluate the bank's lending activity.

#### **State College MSA**

Lending activity in the State College MSA is adequate. The bank ranked 1<sup>st</sup> in deposit market share (28.57%) as of June 30, 2001. The bank ranked 6<sup>th</sup> in the origination of home purchase loans with a market share of 4.17%. The bank ranked 8<sup>th</sup> in the origination of home mortgage refinance loans with a market share of 2.85%. The bank ranked 3<sup>rd</sup> in the origination of small loans to businesses with a market share of 11.02%. The bank ranked 2<sup>nd</sup> in the origination of small loans to farms with a market share of 32.35%.

#### **Non-MSA**

Lending activity in the non-MSA assessment area is good. The bank is ranked 2<sup>nd</sup> in deposit market share (18.92%) as of June 30, 2001. The bank is ranked 2<sup>nd</sup> in the origination of home purchase loans. The bank is ranked 5<sup>th</sup> in the origination of home mortgage refinance loans. The bank is ranked 2<sup>nd</sup> in the origination of small loans to businesses. The bank is ranked 2<sup>nd</sup> in the origination of small loans to farms.

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

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

Refer to Tables 2, 3, 4 and 5 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

##### **State College MSA**

The distribution of home purchase loans by the income level of the geography is excellent. Less than 1% of the owner-occupied housing units in the AA are located in low-income geographies. The percentage of home purchase loans originated in low-income geographies exceeds the percentage of owner-occupied units in these geographies. The percentage of home purchase loans originated in moderate-income geographies exceeds the percentage of owner-occupied units in these geographies. The market share of home mortgages loans originated in moderate-income geographies exceeds the overall market share of home mortgage loans.

The distribution of home mortgage refinance loans by the income level of the geography is good. The percentage of home mortgage refinance loans originated in low-income geographies exceeds the percentage of owner-occupied units in these geographies. The percentage of home mortgage refinance loans originated in moderate-income geographies exceeds the percentage of owner-occupied units in these geographies. The market share of mortgage refinance loans originated in moderate-income geographies substantially meets the overall market share of home mortgage refinance loans.

### **Non-MSA**

The distribution of home purchase loans by the income level of the geography is excellent. There are no low-income geographies in the AA. The percentage of home purchase loans originated in moderate-income geographies exceeds the percentage of owner-occupied units in these geographies. The market share of home purchase loans originated in moderate-income geographies exceeds the overall market share of home purchase loans.

The distribution of home mortgage refinance loans by the income level of the geography is adequate. The percentage of home mortgage refinance loans originated in moderate-income geographies is less than the percentage of owner-occupied units in these geographies. The market share of home mortgage refinance loans in moderate-income geographies is less than the overall market share of home mortgage loans.

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

Refer to Table 6 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

### **State College MSA**

The distribution of small loans to businesses by the income level of the geography is good. The percentage of small loans to businesses originated in low-income geographies is near to the percentage of businesses in these geographies. The percentage of small loans to businesses in moderate-income geographies exceeds the percentage of businesses in these geographies. The market share of small loans to businesses in low-income geographies exceeds the overall market share of small loans to businesses. The market share of small loans to businesses in moderate-income geographies is less than the overall market share of small loans to businesses.

### **Non-MSA**

The distribution of small loans to businesses by the income level of the geography is adequate. The percentage of small loans to businesses originated in moderate-income geographies is less than the percentage of businesses in moderate-income geographies. The market share of small loans to businesses originated in moderate-income geographies is less than the overall market share of small loans to businesses.

***Small Loans to Farms***

Refer to Table 7 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

**State College MSA**

Less than 1% of all farms in the AA are in low- and moderate-income geographies. Therefore, no analysis is warranted.

**Non-MSA**

Less than 2% of the total farms in the AA are in moderate-income geographies. Therefore, no analysis is warranted.

**Lending Gap Analysis**

Our review of the geographic distribution of loans did not detect any conspicuous or unexplained gaps in lending patterns.

***Inside/Outside Ratio***

The majority of loans were originated within the bank's AAs. The analysis was performed at the bank level. The ratio of loans originated in the AAs were limited to home mortgage loans. Eighty percent of the home mortgage loans were originated within the bank's AAs. Small loans to businesses and small loans to farms were not included in this calculation. The bank began recording small loans to businesses and small loans to farms originated by former affiliate banks (Huntington National Bank and Hollidaysburg Trust Company) in 2001. Sixty-five percent of small loans to businesses and twenty-four percent of small loans to farms were originated within the bank's AAs.

**Distribution of Loans by Income Level of the Borrower*****Home Mortgage Loans***

Refer to Tables 8, 9, and 10 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

**State College MSA**

Housing costs impede the ability of low-income borrowers to purchase a home in the AA. The median housing cost is \$80,648. A low-income borrower earning 50% of the median family income (\$23,900) would have difficulty affording to purchase a home at market rates. The poverty level is high at 17.41%.

The distribution of home purchase loans by the income level of the borrower is good. The percentage of home purchase loans originated to low-income borrowers is less than the percentage of low-income families in the AA. The percentage of home purchase loans originated to moderate-income borrowers is near to the percentage of moderate-income families in the AA. The market share of home purchase

loans originated to low-income borrowers exceeds the overall market share of home purchase loans. The market share of home purchase loans originated to moderate-income borrowers exceeds the overall market share of home purchase loans.

The distribution of home refinance loans by the income level of the borrower is adequate. The percentage of home refinance loans originated to low-income borrowers is less than the percentage of low-income families in the AA. The percentage of home refinance loans originated to moderate-income borrowers is less than the percentage of moderate-income families in the AA. The market share of home refinance loans originated to low- and moderate-income borrowers is less than the overall market share of home refinance loans.

### **Non-MSA**

The distribution of home purchase loans by the income level of the borrower is adequate. The distribution of home purchase loans originated to moderate-income borrowers exceeds the percentage of moderate-income families in the AA. The bank did not originate any home purchase loans to low-income borrowers in 2000. The market share of home purchase loans originated to moderate-income borrowers is near to the overall market share of home purchase loans.

The distribution of home refinance loans by the income level of the borrower is adequate. The percentage of home refinance loans originated to moderate-income families is near to the percentage of moderate-income families in the AA. The percentage of home refinance loans originated to low-income borrowers is less than the percentage of low-income families in the AA. The market share of home refinance loans originated to low-income borrowers is less than the overall market share of home refinance loans. The market share of home refinance loans originated to moderate-income borrowers is near to the overall market share of home refinance loans.

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

Refer to Table 11 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

### **State College MSA**

The distribution of small loans to small businesses (revenues of \$1 million or less) is good. The percentage of small loans originated to small businesses is near to the percentage of small businesses in the AA. The market share of small loans to small businesses exceeds the overall market share of small loans to businesses.

### **Non-MSA**

The distribution of small loans to small businesses (revenues of \$1 million or less) is good. The percentage of small loans originated to small businesses is near to the percentage of small businesses in the AA. The market share of small loans to small businesses exceeds the overall market share of small loans to businesses.

***Small Loans to Farms***

Refer to Table 12 in the appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

**State College MSA**

The distribution of small loans to small farms (farms with revenues of less than \$1 million) is excellent. The percentage of small loans to small farms exceeds the percentage of small farms in the AA. The market share of small loans to small farms exceeds the overall market share of small loans to farms.

**Non-MSA**

The distribution of small loans to small farms (farms with revenues of less than \$1 million) is excellent. The percentage of small loans to small farms exceeds the percentage of small farms in the AA. The market share of small loans to small farms is near to the overall market share of small loans to farms.

**Community Development Lending**

The bank did not originate any qualified community development loans.

**PRODUCT INNOVATION AND FLEXIBILITY****State College MSA**

The bank participates in several flexible lending programs sponsored by federal, state and local governments. All of the programs are developed to assist low- and moderate-income borrowers obtain mortgages. The bank does not sponsor any proprietary loan products that are innovative or flexible. Lending programs that the bank participates in are as follows:

The bank is a participating lender in the **Centre County First-Time Homebuyers Program**. Each participating bank provides the mortgage financing which may range from 80% up to 97% of the purchase price. The Centre County Housing Trust Fund will be used to assist the homebuyer with down payment and closing costs. The bank originated 1 loan for \$70,200 in 2001.

The bank is a participating lender in the **State College Borough First-Time Homebuyer Program**. The program offers mortgages and closing cost assistance to both moderate- and low-income families. Qualifying homebuyers are offered homebuyer education and budget counseling. The bank originated 2 loans for \$116,769 in 2001.

The bank is a participating lender in the **State College Community Land Trust (SCCLT)**. The SCCLT is a private non-profit organization that provides a package of assistance to provide affordable housing. The SCCLT provides assistance that includes home rehabilitation money, closing cost assistance and a subsidy equal to the value of the land for the given property. The bank originated 3 loans for \$221,000 in 2001.

The bank is a participating lender in the **Pennsylvania Housing Finance Agency (PHFA)**. The PHFA offers below market rate mortgages to LMI families in Pennsylvania. The bank originated 18 loans for \$1,333,688 during the evaluation period.

**Non-MSA**

The bank is a participating lender in the **Pennsylvania Housing Finance Agency (PHFA)**. The PHFA offers below market rate mortgages to LMI families in Pennsylvania. The bank originated 94 loans for \$5,868,055 during the evaluation period.

## **INVESTMENT TEST**

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

The bank's performance under the investment test is rated "Low Satisfactory". Based on full-scope reviews, the bank's performance in the State College MSA and non-MSA is adequate.

Refer to Table 14 in appendix C for the facts and data used to evaluate the bank's level of qualified investments.

#### **State College MSA**

The level of qualified investments in the AA is adequate. Qualifying investments that originated or received continuing funding during the evaluation period totaled \$295,776. Qualifying investments are as follows:

The bank invested \$248,576 in Sylvan View Estates, a low-income housing development in Centre County. The bank is a limited partner. Financing for the housing development is supported by low-income housing tax credits. OBNA committed to invest \$716,044 over a ten-year period. The book value of the investment is \$654,296.

The bank purchased a \$39,000 pool of mortgage-backed securities (MBS) through the FannieMae CRA/Affordable Housing Business Initiative. The MBS are backed by mortgages made to low- and moderate-income borrowers on properties located in the AA.

Qualifying contributions totaled \$8,200.

#### **Non-MSA**

The level of qualified investments in the AA is adequate. Qualifying investments funded during the evaluation period totaled \$150,000. Qualified investments are as follows:

The bank purchased a \$148,000 pool of mortgage-backed securities (MBS) through the FannieMae CRA/Affordable Housing Business Initiative. The MBS are backed by mortgages made to low- and moderate-income borrowers on properties located in the AA.

Qualifying contributions totaled \$2,000.

## **SERVICE TEST**

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

The bank's performance under the Service Test is rated "High Satisfactory". Based on full-scope reviews, the bank's performance in the State College MSA and the non-MSA is good.

## Retail Banking Services

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

### State College MSA

The bank's service delivery system is accessible to geographies and individuals of different income levels throughout the bank's AA. Banking services are provided through 17 branches. The 17 branches represent 68% of the bank's total branches. The distribution of branches in low- and moderate-income geographies compare favorably to the population distribution in the AA. Three branches (17.6%) are located in low-income geographies where 7.97% of the population resides. One branch (5.8%) is located in a moderate-income geography where 5.38% of the population resides. Eight branches (47%) are located in middle-income geographies where 47.86% of the population resides. Five branches (29.4%) are located in upper-income geographies where 33.71% of the population resides. No branches have been closed since the previous CRA examination. The bank opened one branch in a middle-income geography.

Automated teller machines (ATMs) are the primary alternative delivery system. There are 12 ATMs in the AA. The ATMs are distributed as follows: 6 (50%) in low-income geographies, none in moderate-income geographies, 3 (25%) in middle-income geographies, and 3 (25%) in upper-income geographies. Services do not vary in ways that are inconvenient to low- or moderate-income geographies or individuals.

### Non-MSA

The bank's service delivery system is accessible to geographies and individuals of different income levels throughout the bank's AA. Banking services are provided through 8 branches. The 8 branches represent 32% of the bank's total branches. There are no low-income geographies in this AA. Two branches (25%) are located in moderate-income geographies where 8.91% of the population resides. Five branches (62.5%) are located in middle-income geographies where 86.82% of the population resides. 1 branch (12.5%) is located in upper-income geographies where 4.27% of the population resides. No branches have been closed since the previous CRA examination.

ATMs are the primary alternative delivery system. There are 13 ATMs in the AA. The ATMs are distributed as follows: 1 (7.69%) in moderate-income geographies, 10 (76.93%) in moderate-income geographies, and 2 (15.38%) in upper-income geographies. Services do not vary in ways that are inconvenient to moderate-income geographies or low- or moderate-income individuals.

## Community Development Services

OBNA provides a good level of community development services in the State College MSA. Bank staff participates in a variety of organizations that address housing needs of low- and moderate-income individuals. These activities include the following:

## **State College MSA**

The president of the bank provides financial expertise to the Centre County Housing Authority by serving as its chairman. The housing authority builds, maintains, and operates low- and moderate-income housing in the county.

The president of the bank serves as chairman of Brokerhoff Housing Corporation, a low- and moderate housing facility for elderly citizens. The president's role includes overseeing the financial management of the corporation.

The president of the bank serves as president of the Downtown State College Partnership. The organization was formed to maintain the economic viability of downtown State College. It is instrumental in retaining businesses in the downtown area. The downtown area is located in a low-income geography.

The bank president served as vice president on the board of directors for the State College Community Land Trust (SCCLT). The SCCLT is a non-profit organization that creates affordable housing by purchasing existing residential properties, holding the land in trust, and selling the structural improvements to low- and moderate-income buyers. Duties of the vice president included identifying areas needed for homeowner education and organizing training sessions.

## **Non-MSA**

The bank provides a good level of community development services in the State College MSA. Bank staff participates in a variety of organizations that address housing needs of low- and moderate-income individuals. These activities include the following:

The bank processes loan applications for the U.S. Department of Agriculture (USDA) Guaranteed Rural Housing Loan program. The program targets LMI families. The bank was awarded a certificate of merit from the U.S. Department of Agriculture Rural Development.

A bank employee served on the finance committee of the Clinton County Economic Partnership (CCEP). The CCEP is the designated economic development agency for Clinton County.

## 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): 1/1/1999 to 12/31/2001 Investment and Service Tests and CD Loans: 6/8/1999 to 6/10/ 2002	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
Omega Bank, N.A. State College, PA	Home purchase loans, home mortgage refinance loans, small loans to businesses, small loans to farms	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
N.A.		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
State College MSA #8050	Full Scope	
Non-MSA	Full Scope	

# Appendix B: Market Profiles for Full-Scope Areas

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## Table of Contents

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

STATE COLLEGE MSA 8050.....	B-2
NON-MSA.....	B-4

**State College MSA 8050**

Demographic Information for Full-Scope Area: State College MSA 8050						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	26	7.69	7.69	46.15	34.62	3.85
Population by Geography	116,878	7.97	5.38	47.86	33.71	5.09
Owner-Occupied Housing by Geography	23,540	0.17	4.66	58.66	36.51	0.00
Businesses by Geography	4,687	12.14	5.65	44.08	33.24	4.89
Farms by Geography	356	0.28	0.56	71.63	25.84	1.69
Family Distribution by Income Level	24,564	16.07	19.82	23.71	40.40	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	8,815	3.46	6.86	68.08	21.60	0.00
Median Family Income HUD Adjusted Median Family Income for 2001 Households Below the Poverty Level	= \$34,313 = \$47,800 =17.41%	Median Housing Value Unemployment Rate		= \$80,648 =2.68%		

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 1990 U.S. Census, and 2001 HUD updated MFI.

The State College MSA AA is comprised of Centre County. The AA does not arbitrarily exclude any low- or moderate-income geographies. All segments of the AA are contiguous and are consistent with CRA regulatory requirements. Centre County is located in central Pennsylvania. There are 26 geographies in the AA. Two are classified as low-income and 2 are classified as moderate-income. The population of the AA is 116,878. OBNA has a significant presence in the AA. Fifty-seven percent of the loans reviewed and sixty-six percent total deposits reviewed during this examination are from Centre County. Sixty-six percent of the bank branches and ATMs are in Centre County. The bank is primarily an originator of residential mortgage loans and small business loans. Banking competition in the AA is strong. Competition for home mortgage loans is received from several large regional banks and a large national mortgage company. Competition for small business lending is received primarily from finance companies.

The economy of the AA is considered to be good. The town of State College is the population center and economic hub of the AA due to the presence of Pennsylvania State University (“Penn State”). Twenty-five percent of the workforce is employed in state and local government (including employees of Penn State). Penn State employs more individuals than the next top 5 employers combined. High-tech industries employ 6% of total employment. Major employers are Penn State, State College Area School District, Corning Incorporated, Centre Community Hospital, and Murata Electronics North. Centre County ranked 2<sup>nd</sup> among all counties in Pennsylvania with an unemployment rate of 3.4 % as of May 2002. The unemployment rate for the State of Pennsylvania was 5.6 % for the same period. The median housing value in the AA is \$80,648. The updated 2002 HUD adjusted median family income is \$47,800. Housing costs prohibit low-income borrowers from purchasing a home.

Community contacts were made with economic development and housing agencies in the AA. Credit needs for small business financing and funding for first-time homebuyers. Programs are available to participate in small business development financing. First-time homebuyers programs are offered through several municipalities in the AA.

## Non-MSA

Demographic Information for Full-Scope Area: Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	18	0.00	11.11	83.33	5.56	0.00
Population by Geography	77,924	0.00	8.91	86.82	4.27	0.00
Owner-Occupied Housing by Geography	21,097	0.00	6.78	88.75	4.47	0.00
Businesses by Geography	2,812	0.00	14.22	81.79	3.98	0.00
Farms by Geography	413	0.00	1.69	94.43	3.87	0.00
Family Distribution by Income Level	21,274	17.23	22.08	26.33	34.37	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	8,362	0.00	12.56	84.06	3.38	0.00
Median Family Income HUD Adjusted Median Family Income for 2001 Households Below the Poverty Level	= \$28,934 = \$41,100 =13.31%	Median Housing Value Unemployment Rate		= \$46,990 = 3.14%		

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 1990 U.S. Census, and 2001 HUD updated MFI.

The non-MSA AA is comprised of the counties of Clinton, Mifflin, and Juniata. The AA does not arbitrarily exclude any low- or moderate-income geographies. All segments of the AA are contiguous and are consistent with CRA regulatory requirements. All of the counties are located in central Pennsylvania. The counties are primarily rural. The population of the AA is 77,924. Two of the 18 geographies in the AA are classified as moderate-income. There are no low-income geographies in the AA. Banking competition in the AA is very strong. Several banks headquartered in the AA are the primary competitors.

Economic conditions in the non-MSA AA are not as robust as in the State College MSA AA. Clinton County and Mifflin County rank 65<sup>th</sup> and 66<sup>th</sup>, respectively, in unemployment out of the 67 counties in the state. The unemployment rate in Clinton County is 9.1 percent. The unemployment rate in Mifflin County is 10.5 percent. The unemployment rate of Juniata County is closer to the state average at 5.3 percent. Management considers loan demand for small business lending in the AA to be low. The AA has lost several major employers in recent years. Major employers in the AA are: Keystone Central School District (Clinton Co.), State System of Higher Education (Clinton Co.), Empire Kosher Poultry (Juniata Co.), Triangle Pacific Corporation (Juniata Co.), Freedom Forge Corp. Standard Steel (Mifflin Co.), Lewistown Hospital (Mifflin Co.), and CNH Global (Mifflin Co.). State and local economic development loan programs are available for banks participation. Community contacts were held with regional economic development agencies. The need for small business loans was identified.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

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.

Institution ID: 10000010506  
**OMEGA BANK, NA**

**Table 1. Lending Volume**

LENDING VOLUME 2001		Geography: OMEGA BANK, N.A.						Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31,				
MA/Assessment Area (2001):	% 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>												
OMEGA NON-MSA	42.68	461	33,340	351	23,052	27	1,775	0	0	839	58,167	33.55
OMEGA State College MS	57.32	421	48,160	670	77,807	36	1,842	0	0	1,127	127,809	66.45

\* Loan Data as of December 31, 2001. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is From June 08, 1999 to June 10, 2002.

\*\*\* Deposit Data as of June 30, 2001. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

NA

**Table2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE DECEMBER 31, 2001		Geography: OMEGA BANK, N.A.								Evaluation Period: JANUARY 1, 1999 TO					
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	Overa ll	Low	Mod	Mid	Upp
<b>Full Review:</b>															
OMEGA NON-MSA	261	55.41	0.00	0.00	6.78	15.33	88.75	73.95	4.47	10.73	12.27	0.00	22.48	9.02	33.33
OMEGA State College MSA 8050	210	44.59	0.17	0.95	4.66	13.33	58.66	48.57	36.51	37.14	4.17	0.00	19.70	3.81	3.42

\* Based on 2000 Peer Mortgage Data: Northeast Region.

\*\* 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.

NA

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

Geographic Distribution: HOME MORTGAGE REFINANCE DECEMBER 31, 2001		Geography: OMEGA BANK, N.A.								Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001					
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	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
OMEGA NON-MSA	198	48.53	0.00	0.00	6.78	4.04	88.75	90.40	4.47	5.56	3.51	0.00	1.89	3.63	4.17
OMEGA State College MSA 8050	210	51.47	0.17	0.48	4.66	5.71	58.66	60.00	36.51	33.81	2.85	0.00	2.50	1.92	5.32

\* Based on 2000 Peer Mortgage Data: Northeast Region.

\*\* 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.

NA

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

Geographic Distribution: SMALL LOANS TO BUSINESSES DECEMBER 31, 2001			Geography: OMEGA BANK, N.A.								Evaluation Period: JANUARY 1, 1999 TO				
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 Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
OMEGA NON-MSA	351	34.38	0.00	0.00	14.22	9.12	81.79	84.90	3.98	5.98	10.22	0.00	6.57	11.39	22.22
OMEGA State College MSA 8050	670	65.62	12.14	11.94	5.65	6.42	44.08	45.52	33.24	35.52	11.02	12.09	7.58	10.90	12.91

\* Based on 2000 Peer Small Business Data: US&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 (2001).

NA

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

Geographic Distribution: SMALL LOANS TO FARMS DECEMBER 31, 2001			Geography: OMEGA BANK, N.A.								Evaluation Period: JANUARY 1, 1999 TO				
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	Overa II	Low	Mod	Mid	Upp
<b>Full Review:</b>															
OMEGA NON-MSA	27	42.86	0.00	0.00	1.69	0.00	94.43	100.00	3.87	0.00	32.35	0.00	0.00	34.02	0.00
OMEGA State College MSA 8050	36	57.14	0.28	0.00	0.56	0.00	71.63	83.33	25.84	16.67	32.35	0.00	0.00	32.14	33.33

\* Based on 2000 Peer Small Business Data: US&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 (2001).

NA

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

Borrower Distribution: HOME PURCHASE 31, 2001		Geography: OMEGA BANK, N.A.								Evaluation Period: JANUARY 1, 1999 TO DECEMBER							
MA/Assessment Area:	Total Home Purchase 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>	% Families <sup>*</sup>	% BANK Loans <sup>****</sup>	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
OMEGA NON-MSA	261	55.41	17.23	2.68	22.08	23.37	26.33	35.25	34.37	38.70	13.23	0.00	11.98	13.24	15.81		
OMEGA State College MSA 8050	210	44.59	16.07	7.66	19.82	19.62	23.71	23.92	40.40	48.80	4.45	5.71	4.66	4.32	4.37		

<sup>\*</sup> Based on 2000 Peer Mortgage Data: Northeast Region.

<sup>\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 0.21% of loans originated and purchased by BANK.

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

<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.

NA

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

Borrower Distribution: HOME MORTGAGE REFINANCE DECEMBER 31, 2001			Geography: OMEGA BANK, N.A.								Evaluation Period: JANUARY 1, 1999 TO				
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****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
OMEGA NON-MSA	198	48.53	17.23	4.55	22.08	21.21	26.33	29.80	34.37	44.44	3.92	0.00	3.73	4.22	4.56
OMEGA State College MSA 8050	210	51.47	16.07	2.38	19.82	11.43	23.71	32.38	40.40	53.81	3.31	0.00	2.33	3.21	4.33

\* Based on 2000 Peer Mortgage Data: Northeast Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 0.00% 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.

NA

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

Borrower Distribution: SMALL LOANS TO BUSINESSES DECEMBER 31, 2001		Geography: OMEGA BANK, N.A.				Evaluation Period: JANUARY 1, 1999 TO			
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>									
OMEGA NON-MSA	351	34.38	87.91	78.63	86.04	8.83	5.13	10.22	14.48
OMEGA State College MSA 8050	670	65.62	86.92	77.61	71.19	16.42	12.39	11.02	21.73

\* Based on 2000 Peer Small Business Data: US&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 - 2001).

\*\*\*\* 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 0.00% of small loans to businesses originated and purchased by the bank.

NA

**Table12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS DECEMBER 31, 2001		Geography: OMEGA BANK, N.A.				Evaluation Period: JANUARY 1, 1999 TO			
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>									
OMEGA NON-MSA	27	42.86	97.58	100.00	88.89	3.70	7.41	32.35	32.29
OMEGA State College MSA 8050	36	57.14	96.35	100.00	86.11	13.89	0.00	32.35	33.33

\* Based on 2000 Peer Small Business Data: US&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&B - 2001).

\*\*\*\* 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.

NA

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS 2001		Geography: OMEGA BANK, N.A.				Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31,			
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>									
OMEGA NON-MSA	0	0	2	150	2	150	17.61	0	0
OMEGA State College MSA 8050	1	406	5	296	6	702	82.39	0	0

\* '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.

NA

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS JANUARY 1, 1999 TO DECEMBER 31, 2001								Geography: OMEGA BANK, N.A.				Evaluation Period:					
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>																	
OMEGA NON-MSA	33.55	8	32	0.00	25.00	62.50	12.50	0	0	0	0	0	0	0.00	8.91	86.82	4.27
OMEGA State College MSA 8050	66.45	17	68	17.65	5.88	47.06	29.41	1	0	0	0	1	0	7.97	5.38	47.86	33.71

Institution ID: 10000010506 OMEGA BANK, NA

**OMEGA State College MSA 8050**

Demographic Information for Full Scope Area: OMEGA State College MSA 8050						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	26	7.69	7.69	46.15	34.62	3.85
Population by Geography	116,878	7.97	5.38	47.86	33.71	5.09
Owner-Occupied Housing by Geography	23,540	0.17	4.66	58.66	36.51	0.00
Business by Geography	4,687	12.14	5.65	44.08	33.24	4.89
Farms by Geography	356	0.28	0.56	71.63	25.84	1.69
Family Distribution by Income Level	24,564	16.07	19.82	23.71	40.40	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	8,815	3.46	6.86	68.08	21.60	0.00
Median Family Income		34,313	Median Housing Value		80,648	
HUD Adjusted Median Family Income for 2001		47,800	Unemployment Rate (1990		2.68%	
Households Below Poverty Level		17.41%	US Census)			

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 1990 US Census and 2001 HUD updated MFI

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**OMEGA NON-MSA**

Demographic Information for Full Scope Area: OMEGA NON-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	18	0.00	11.11	83.33	5.56	0.00
Population by Geography	77,924	0.00	8.91	86.82	4.27	0.00
Owner-Occupied Housing by Geography	21,097	0.00	6.78	88.75	4.47	0.00
Business by Geography	2,812	0.00	14.22	81.79	3.98	0.00
Farms by Geography	413	0.00	1.69	94.43	3.87	0.00
Family Distribution by Income Level	21,274	17.23	22.08	26.33	34.37	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	8,362	0.00	12.56	84.06	3.38	0.00
Median Family Income	28,934	Median Housing Value	46,990			
HUD Adjusted Median Family Income for 2001	41,100	Unemployment Rate (1990	3.14%			
Households Below Poverty Level	13.31%	US Census)				

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

Source: 1990 US Census and 2001 HUD updated MFI