



# LARGE BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## Public Disclosure

March 10, 2003

### Community Reinvestment Act **Performance Evaluation**

**First Citizens National Bank**  
**Charter Number: 13618**

**15 South Main Street**  
**Mansfield, PA 16933**

**Office of the Comptroller of the Currency**

**Northern Pennsylvania Field Office**  
**100 Hazle Street, Suite 202**  
**Wilkes-Barre, PA 18702**

**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 **Outstanding**.

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

Performance Levels	First Citizens National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X		X
High Satisfactory		X	
Low Satisfactory			
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 level of lending is excellent.
- The geographic distribution of both home mortgage loans and small loans to businesses is excellent.
- The income distribution of loans among borrowers of different incomes is excellent.
- The distribution of loans to businesses of different sizes is excellent.
- Community development lending had a positive impact on the lending test.
- Innovative and flexible lending products had a positive impact on the lending test.
- The level of community development investments is good.
- Retail services are readily accessible through out the assessment area.
- The level of community development services is excellent.

## 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 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 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**

First Citizens National Bank (FCNB) is headquartered in Mansfield, Pennsylvania and, as of December 31, 2002, had total assets of \$426 million. FCNB is a wholly owned subsidiary of Citizens Financial Services Incorporated, a one-bank holding company also located in Mansfield, Pennsylvania. Citizens Financial Services had total assets of \$433 million as of December 31, 2002. FCNB has one operating subsidiary known as First Citizens Insurance Agency, Inc. This wholly owned subsidiary sells annuities and accident & health insurance to bank customers. There have been no mergers or acquisitions during the examination period. FCNB closed two branches and purchased/opened seven branches during the evaluation period.

FCNB is an intrastate bank with fifteen branches located in Tioga, Bradford, and Potter counties in Pennsylvania. In addition, there are 17 automated teller machines (ATMs): each branch has an ATM and there are two stand-alone ATMs (located at Mansfield University and Soldiers and Sailors Memorial Hospital in Wellsboro, PA). The bank operates in a very rural, non-MSA market area. The bank's business focus is to provide retail banking services to the community. FCNB offers a full range of loan, deposit, and trust services. In addition, the bank offers 24 hour bank-by-phone and Internet banking.

As of December 31, 2002 FCNB had net loans of \$295 million or 69% of total assets. The loan portfolio is composed of 63% residential real estate loans, 23% commercial and commercial real estate loans, 5% consumer installment loans, and 9% municipal loans. Total investment securities, all held as available-for-sale, were \$89 million or 20% of total assets. Tier 1 Capital as of December 31, 2002 is \$29 million and the Tier 1 Leverage ratio is 6.88%. There are no legal or financial impediments that would hinder the bank's ability to help meet the credit needs of its community. FCNB received a Satisfactory rating at their last CRA performance evaluation dated February 29, 2000.

## **Scope of the Evaluation**

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

The evaluation period for the Lending test covers activity from January 1, 2000 to December 31, 2002. The evaluation period for the Investment and Service tests covers activities from March 1, 2000 to February 24, 2003.

FCNB is not required to report loans subject to HMDA because the bank does not have a home or branch office in an MSA. However, the bank does collect HMDA data rather than maintain a Fair Housing Log. Therefore, all data contained in Appendix C is based upon records maintained by FCNB in the HMDA format. Market share data is not available because the bank is not required to report its HMDA information to the Federal Reserve. The bank does, however, report data on small business and small farm loans. Our mortgage analysis is based on comparisons of FCNB's lending patterns to the demographics of the assessment area.

We included all small business and small farm loans originated and reported in 2000, 2001, and 2002. We analyzed all community development loans made during the same period. For the Investment and Service tests, we considered qualified investment activity and FCNB's record of providing retail and community development services.

### **Data Integrity**

FCNB has only one assessment area (AA) that is in a non-MSA. The AA consists of all of Bradford and Tioga counties and the northeast portion of Potter County. The area received a full-scope review and our ratings are based on the results of this review. Refer to the table in Appendix A for more information.

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

The bank's overall rating is based on a full scope review of the bank's only AA.

### **Ratings**

The bank's overall rating is based on the area that received a full-scope review.

### **Other**

During our examination, we contacted one housing organization via telephone to discuss credit needs and community development opportunities throughout the AA. Affordable housing was identified as the primary credit need in the community. Community development projects and investment opportunities are limited due to the rural nature of the area. However, FCNB has been involved in all the projects initiated by the housing authority. The contact considered the bank to be proactive in seeking opportunities for community development projects and qualified investments.

## **Fair Lending Review**

An analysis of the most recent available public comments and consumer complaint information was performed according to the Office of the Comptroller of the Currency's risk-based fair lending approach.

# 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 Outstanding. Based on full-scope reviews, the bank's performance in the non-MSA is excellent. FCNB's home mortgage and small business lending performance were weighted more heavily than farm lending. Housing credit for LMI individuals is the primary credit need in the AA, along with small loans to businesses. Lending personnel at FCNB direct home improvement loans into the bank's Home Equity Line of Credit (HELOC) product. HELOC loans may or may not be reported on the HMDA LAR at the bank's option. FCNB has chosen not to report HELOC loans, therefore, it appears as though the bank has no home improvement loans. Home refinance loans were weighted more heavily than home purchase loans as refinance loans represent 74% of total HMDA loans originated during the evaluation period. The bank did not originate any multi-family loans during the evaluation period. FCNB's community development lending had a positive effect on the bank's lending rating.

### Lending Activity

Refer to *Table 1 Lending Volume in Appendix C* for the facts and data used to evaluate the bank's lending activity.

FCNB's lending levels are excellent based on the volume of lending and loan originations. No HMDA market share data is available because the bank is not an official HMDA reporter. The bank's lending patterns are reflective of the credit needs of the community, which is primarily housing. Home mortgage loans represent 67% by number volume and 66% by dollar volume of total originations. There are 220 HMDA lenders in FCNB's assessment area, indicating strong competition for mortgage loan originations. From 2001 market share data, the number one ranked HMDA lender originated 332 purchase mortgage loans and 403 refinance loans, as compared to FCNB who during 2001 reported 167 originations of home purchase loans and 521 originations of refinanced home mortgages. In 2001, for refinanced mortgages FCNB exceeded the number one ranked HMDA lender and FCNB would be ranked second in originations for home purchase mortgages.

Market share of small loans to businesses and small loans to farms is 13.82% and 26.92%, respectively. Market share of small loans to business is strong and heavily populated by national credit card companies. FCNB is ranked second for small loans to businesses and for small loans to farms.

An indicator that the bank is lending is the loan to deposit ratio, which was 79% as of December 31, 2002 and 80% as of December 31, 2001. By comparison, the average loan to deposit ratio for the bank-selected peer group was 76% as of December 31, 2002 and 79% as of December 31, 2001. FCNB's market share of deposits for Bradford, Tioga, and Potter counties are 20.95%, 34.29%, and 29.26%, respectively.

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

The distribution of loans by income level of geography is excellent.

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

Geographic distribution of home mortgage loans is excellent. 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.

Geographic distribution of multi-family loans is not discussed due to the lack of loans originated by FCNB. There are no low-income geographies and therefore the analysis centers on the moderate-income geographies located within the AA.

Geographic distribution of home purchase and home refinance loans both significantly exceed the percentage of owner-occupied units in the moderate-income tracts. As indicated previously, no market share data is available as the bank is not a HMDA reporter.

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

Geographic distribution of small loans to businesses is excellent. 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.

Geographic distribution of small business loans significantly exceeds the percentage of businesses in the moderate-income tracts. Market share in moderate-income areas is also significantly above FCNB's overall market share for small loans to business.

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

Geographic distribution of small loans to farms is adequate. 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. Geographic distribution of small loans to farms is below the percentage of farms in moderate-income block numbering areas. However, FCNB's market share in moderate-income areas exceeds their overall market share, indicating that the bank does make small farm loans in the moderate-income tracts of their AA.

## **Lending Gap Analysis**

There are no unexplained conspicuous gaps in FCNB's mortgage, small business, or small farm lending patterns in the AA.

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

An analysis of the bank's lending within its AA was performed. A substantial majority of the home mortgage loans, small loans to businesses, and small loans to farms were originated within the bank's AA. For home mortgage products, 92% of all originations by the number volume of loans were within the AA. For small loans to businesses and small loans to farms, 90% and 95%, respectively, by number volume of loans originated were within the AA. A high

level of lending within its own AA reflects favorably on the bank's distribution of lending by income level of geography.

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

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

The distribution of loans by income level of borrower is excellent when considering the performance context issues. 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.

The distribution of home purchase loans to low- and moderate-income borrowers for home purchase mortgages is excellent. The bank's origination of home purchase loans is significantly below the level of low-income families. However, given the high level of poverty (14.15% of households) the level of lending to low-income borrowers for home purchase loans is considered good. Lending to moderate-income borrowers exceeds the percentage of families residing within the AA. As previously noted, the bank is not a HMDA reporter so market share information is not available. However, a review of the volume of loans originated by the top-ranking HMDA reporting lender to low- and moderate-income borrowers for 2001 indicates that 17 loans to low-income borrowers and 51 loans to moderate-income borrowers were originated for purchase mortgages. By comparison, in 2001 FCNB originated 14 loans to low-income borrowers and 29 loans to moderate-income borrowers for purchase mortgages. FCNB would be the number two lender to low- and moderate-income borrowers based on 2001 market share information by volume of loans originated for purchase money mortgages. Based on the strong competition for home mortgages (there are 220 HMDA lenders within FCNB's assessment area) and FCNB's strong performance in lending to low- and moderate-income borrowers, overall lending to low- and moderate-income borrowers for purchase money mortgages is excellent.

The distribution of home refinance loans to low- and moderate-income borrowers is also excellent. The bank's origination of refinance loans is significantly below the level of low-income families. However, when considering the high level of poverty as noted above, the level of lending to low-income borrowers for refinanced mortgages is considered good. Lending to moderate-income borrowers for home refinanced mortgages is near to the percentage of moderate-income families. A review of market share data indicates that FCNB would be the number one lender with origination of 31 loans to low-income borrowers for refinanced mortgages and 100 loans to moderate-income borrowers for refinanced mortgages. Based on 2001 HMDA data, the number one lender reported 21 loans originated to low-income borrowers and 65 loans to moderate-income borrowers. Again, based on the strong competition for home mortgages and FCNB's strong performance in lending to low- and moderate-income borrowers, overall lending to low- and moderate-income borrowers for refinance mortgages is excellent.

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

Distribution of small loans to business is excellent. 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.

The percentage of small loans to businesses with revenues of \$1 million or less (small businesses) exceeds the percentage of small businesses in the AA. The market share of loans with revenues of \$1 million or less significantly exceeds the bank's market share for all loans to businesses. Competition for small loans to businesses is strong in the AA with 53 lenders competing. FCNB ranks second in market share.

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

Distribution of small loans to farms is good. 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.

The percentage of small loans to farms with revenues of \$1 million or less (small farms) is less than the percentage of small farms in the AA. The market share of loans with revenues of \$1 million or less exceeds the bank's market share for all loans to farms.

### **Community Development Lending**

Community development lending had a positive impact on FCNB's lending. Refer to *Table 1 Lending Volume in Appendix C* for the facts and data used to evaluate the bank's level of community development lending. FCNB originated a loan for \$110 thousand to finance the purchase of the site and \$275 thousand to finance the construction of an apartment complex for low- and moderate-income senior citizens. The total project cost was estimated to be \$1.2 million.

The project consists of the construction of a two-story 9,264 square foot building on a half-acre site. The building will contain eleven one-bedroom rental units for persons aged 62 and older. Nine of the units will be for low-income households and two will be for moderate-income households.

This project is considered responsive to the credit needs in the AA as it provides housing to low- and moderate-income individuals.

### **Product Innovation and Flexibility**

Product innovation and flexibility had a positive impact on FCNB's lending test. FCNB offers flexible loan programs to serve the mortgage credit needs within the AA. FCNB offers a pre-approval program that allows the consumer to shop for a house knowing what they can afford. In addition, the bank offers mortgages with as little as 5% down with private mortgage insurance, a variety of mortgage terms, and fixed and variable rate mortgages.

FCNB also offers Freddie Mac Affordable Gold 97 and United Guaranty Borrower Advantage mortgages which provide up to 97% and 103% loan to value ratios, respectively. The bank's participation under the Freddie Mac program commenced in July of 2002. Since that time, the bank has originated three loans for a total of \$200 thousand. Under the United Guaranty program, there is no down payment requirement and closing costs can be financed up to the 103% loan to value criteria. During the evaluation period, FCNB originated seven loans under United Guaranty for a total of over \$500 thousand. All loans were to LMI borrowers.

FCNB offers access to a program that provides lower interest rates than are available elsewhere. This program, known as the Rural Housing Home Ownership Program, is run by the U.S. Department of Agriculture. The program's purpose is to provide qualified applicants in eligible areas with affordable financing for the purchase or construction of a modest, decent, safe, and sanitary single-family dwelling. The participants in this program must be low-income. For example, for a property located in Bradford County, an individual's adjusted annual income cannot exceed \$21,950. Payments are often subsidized in accordance with adjusted income. Income is reviewed yearly and payments are adjusted accordingly. The subsidized interest rates can be as low as 1%. FCNB originated five loans during the evaluation period for a total of over \$60 thousand.

Another product that FCNB offers is the Small Business Administration guaranteed loan. The bank currently has eight loans with a total current balance of over \$1.2 million.

FCNB, as a local community bank, has more flexibility to adapt lending products to meet individual needs than do larger regional lending institutions. All of the products discussed are responsive to the affordable housing needs of the AA and of small businesses.

## **INVESTMENT TEST**

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

The bank's performance under the investment test is rated High Satisfactory. Based on a full-scope review, the bank's performance in the non-MSA is good.

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

The community contact indicated that qualified investment opportunities are limited due to the rural area in which FCNB operates. The contact also stated that, to his knowledge, "the bank's purchase of the tax credits is the only community development project in the area." During the evaluation period the bank purchased a total of \$243,946 in tax credits through two different housing projects. The tax credits were used to fund two apartment buildings for low- and moderate-income individuals, which is determined to be responsive to the identified credit need for affordable housing in the assessment area.

Also during the evaluation period the bank made grants and donations totaling \$27,063. The majority of donations were to a health service organization that provides health care services primarily to LMI individuals and families. Donations to community development organizations represent 11% of the bank's total donations during the evaluation period and are in response to the needs of the community.

## **SERVICE TEST**

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

The bank's performance under the Service Test is rated Outstanding. Based on a full-scope review, the bank's performance in the non-MSA is excellent.

### **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.

FCNB's service delivery systems are readily accessible to all geographies and individuals of different income levels in the AA. There are no low- or upper-income geographies in the AA. FCNB operates fifteen branches: eight in Bradford County, five in Tioga County, and two in Potter County. The two branches in Potter County are located in moderate-income geographies.

Thirteen percent of the bank's branches are in moderate-income geographies, which significantly exceeds the population residing in moderate-income geographies. Since the last CRA review, a net of five new branches have been opened/purchased by FCNB. A new branch was built inside the Wal-Mart store in Mansfield, a middle-income tract. FCNB bought six branches from Sovereign Bank; two of the new branches were in Sayre. FCNB subsequently closed one branch in Sayre on Desmond Street and consolidated the deposits between the existing Sayre branch and new N. Keystone Avenue (Sayre) branch. The 103 West Main Street (Troy) branch was converted into a business development center without deposit or loan services. Deposits from the existing 103 West Main Street (Troy) branch were consolidated into the new 2 West Main Street (Troy) branch. There was no material effect on Sayre or Troy customers with the two closing/consolidation of offices.

All offices have ATMs. There are two additional stand-alone ATMs: one in Mansfield with cash dispensing-only capabilities (Mansfield University) and one in Wellsboro (Soldiers and Sailors Memorial Hospital). The two stand-alone ATMs are located in middle-income geographies. All offices, except Genesee, Gillett, and the in-store Weis Super Market branch in Wellsboro and Wal-Mart branch in Mansfield, have drive-up teller service available. The Genesee branch is in a moderate-income geography while the Gillett and Weis and Wal-Mart offices are in middle-income geographies.

Offices hours and days vary among the fifteen branches. The majority (eight) of the branches have the exact same lobby hours: Monday through Friday, and Saturday until noon. Drive-in hours are extended at the start of each day. The LeRaysville and N. Keystone Avenue (Sayre) offices start at the same time as the majority on weekdays but have various closing times depending on the day of the week, and have no Saturday hours. The Millerton office lobby and drive-in hours start later than the majority and close at various times depending on the day of the week. The two store anchor branches (Weis & Wal-Mart) open at 10:00 A.M. and close at various extended hours depending on the weekday. The Weis and Wal-Mart offices also have extended Saturday and Sunday hours.

FCNB offers an alternative delivery system through the Bank by Phone system. Bank by Phone provides telephone access to account information for checking, savings, money market, certificates of deposit and IRAs, as well as funds transfers, loan information, Express Loan Calculator, rate and product information, and branch hours and locations. FCNB also offers an alternative delivery system through the on-line banking system, NetTeller. NetTeller provides all the same services as Bank by Phone as well as bill payment capabilities, check reorders, download account detail to customer accounting software, and contact with the bank via e-mail. Finally, FCNB offers an alternative delivery system through the MasterMoney debit card. Customers are able to access their deposit accounts at ATMs or, in some cases, as a debit to their deposit account. No documentation is maintained that illustrates how any of these alternative delivery systems serve low- and moderate-income customers and geographies. Therefore, we could not give these systems significant consideration in our rating.

### **Community Development Services**

FCNB's performance in providing community development services is excellent. Fifteen bank employees and officers provide services to twenty-one community organizations. One of the organizations relates to LMI housing needs, one organization relates to small farms, and thirteen relate to economic development groups that support small businesses. FCNB's staff uses their financial expertise and banking knowledge to review loan applications, budgets and financial statements for these organizations. Employee involvement in community development services is responsive to the needs of the AA. The following are examples of the services provided and organizations served by the FCNB's staff.

- **Bradford-Tioga Leased Housing Corporation** -This organization is the owner of two low-income housing projects developed under a limited partnership formed by FCNB and Citizens & Northern Bank. The partnership was formed for the purpose of acquiring, constructing, and operating low-income residential housing projects. The two current housing projects include the North Towanda Senior Citizens project consisting of 30 rental units located in Towanda, PA, and the Wellsboro Senior Housing project consisting of 11 units located in Wellsboro, PA.
- **Tioga County Farmland Preservation Board** - This organization helps protect small farms from being acquired and developed. One FCNB staff member is a member of the Board.
- **Potter County Housing and Redevelopment Authority** - This organization helps to develop and organize housing projects for low- and moderate-income individuals in the county by obtaining the necessary funding. The organization also arranges grants for LMI individuals to remodel and/or repair their homes. One FCNB staff member is a member of the Board.
- **Chamber of Commerce** (Canton, Coudersport, Mansfield, Tioga, Troy, Wellsboro, and Wellsville) - To varying degrees, the local chambers attempt to attract new businesses to and retain the current small businesses in their respective areas. One bank employee serves as the Vice President of the Troy Chamber and another is on the Finance Committee of the Wellsboro Chamber. Seven other bank employees participate as members of their local chamber. All use his/her financial and marketing expertise by providing guidance on marketing programs for small businesses such as downtown improvement projects and advertising in magazines, providing financial

counseling and strategic/business planning, and providing or assisting in obtaining funding and tax incentives.

- **Community Development Organizations** (BOOM, Inc., Northern Tier Regional Planning and Development Commission, Tioga County Development Corporation, Valley Economic Development Association, and Western Bradford Development Corporation) – All of these organizations provide economic and business development in their respective areas by providing low-interest loans, grants, and other funding, as well as financial counseling and strategic/business planning. Most attempt to also attract new small business to their respective areas and retain the current small businesses. Six FCNB staff members donate their time to these organizations as either Board members and/or loan committee members that determine financial qualifications of small business loan applications.
- **Enterprise Center** – The Center was developed as a new business incubator to house several small business and non-profit organizations under one roof to help reduce overhead costs that they otherwise would not be able to afford in a separate location. The project was started through a Community Development Block Grant through the Sayre Borough. One FCNB staff member is a member of the Board and on the Finance Committee.
- **Covington United Methodist Church** - A bank officer, as Chairman of the Church Council, uses his financial expertise to determine funding needs for the Seeds for the Soul program that provides bedding, clothing, food, and home repairs for low- and moderate-income individuals in Tioga County.
- **Laurel Health System** –
  - LHS's Board approved their affiliation with and administration of the Children's Health Insurance Program (CHIP) throughout the AA.
  - LHS partnered with four organizations to open a dental clinic in Lawrenceville to service low-income residents of Tioga County.
  - LHS runs the Bradford-Tioga Head Start program, a free pre-school program for LMI children and their families. Head Start offers nutritious snacks and lunches, medical and dental examinations, hearing and vision screenings, and immunizations. Transportation to and from the program is provided.
  - LHS has several other facilities that are available to low- and moderate-income individuals.

Two FCNB employees use their financial expertise to serve as LHS Board members and another as a member of the LHS Development Council. The LHS Development Council is charged with raising funds to purchase equipment for LHS centers located in areas that benefit low- to moderate-income individuals.

- **Martha Lloyd Community Services Inc. Finance Advisory Board** – One FCNB employee, as a member of the Finance Committee, uses her financial expertise to review budgets and financial statements for this residential day care service facility for the developmentally disabled in Bradford County.
- **Martha Lloyd Soup Kitchen** – One FCNB employee uses her financial expertise when serving as a member of the Board as well as donating time to this facility that distributes

donated food and clothing and provides classes on nutrition to low- and moderate-income families.

- **Potter County Habitat for Humanity** - A bank employee is a Board member of this affordable housing organization. She uses her financial expertise to maintain books and records for the group and to provide guidance on projects.

## Appendix A: Scope of Examination

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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): 01/01/2000 to 12/31/2002 Investment and Service Tests and CD Loans: 03/01/2000 to 02/24/2003	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
First Citizens National Bank (FCNB) Mansfield, Pennsylvania	Home mortgage (purchase money and refinance), small loans to business, small loans to farms, and community development.	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
NA	NA	NA
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
non-MSA – Bradford, Tioga, and portions of Potter counties	Full Scope	NA

# Appendix B: Market Profiles for Full-Scope Areas

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## Table of Contents

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

Non-MSA.....B-2

BANK

**Mansfield**

Demographic Information for Full Scope Area: Mansfield						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	28	0.00	7.14	92.86	0.00	0.00
Population by Geography	116,001	0.00	5.69	94.31	0.00	0.00
Owner-Occupied Housing by Geography	32,067	0.00	5.79	94.21	0.00	0.00
Business by Geography	6,954	0.00	5.67	94.33	0.00	0.00
Farms by Geography	762	0.00	7.35	92.65	0.00	0.00
Family Distribution by Income Level	31,789	19.99	20.92	23.97	35.12	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	13,006	0.00	7.29	92.71	0.00	0.00
Median Family Income HUD Adjusted Median Family Income for 2000 Households Below Poverty Level		28,934 41,100 14.15%	Median Housing Value Unemployment Rate-Tioga County** Potter County Bradford County		47,709 6.9% 4.6% 5.7%	

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

Source: 1990 US Census and 2000 HUD updated MFI

\*\*The unemployment rates are the annualized rates for 2001 available from the Bureau of Labor Statistics, Department of Labor.

**Description of the Assessment Area – Non-MSA**

FNCB has one AA consisting of all of Tioga and Bradford counties and the northeast portion of Potter County, Pennsylvania. FCNB’s AA is located in a non-MSA. There are two moderate-income geographies and twenty-six middle-income geographies. Both moderate-income geographies are located in Potter County. There are no low- or upper-income geographies in the AA.

FNCB operates 15 branches and 17 ATMs in the AA. Major competitors in the area are Citizens and Northern Bank, Peoples State Bank, Citizens Trust Company, and a variety of branch offices from regional institutions.

The top employers for each County are as follows:

- Tioga County – Ward Manufacturing Inc., Northern Tioga School District, North Penn Comprehensive Health, Truck Lite Co., Inc., and State System of Higher Education.
- Bradford County – Robert Packer Hospital, Osram Sylvania Products Inc., Taylor Packing Co., Inc., E I Dupont De Nemours and Co., and Bradford County.
- Potter County – Adelpia Communications, Charles Cole Memorial Hospital, Hyperion Communications, Morris Compressors Inc., and Pennsylvania State Government.

The demographic information reveals that housing is not easily affordable for low-income individuals given the high levels of households below the poverty level (14%) in relation to low-income families (20%).

#### Community Credit Needs

We contacted one housing organization during our examination. Housing needs for LMI individuals remains the primary credit need for area. The contact stated that, overall, banks in the area were meeting the credit needs of the area.

#### Community Development Opportunities

Community development opportunities were also discussed with the housing organization. The contact confirmed that opportunities are limited due to the rural area in which FCNB operates. The contact also stated that, to his knowledge, the community development loan and tax credits that the bank invested in are the only community development opportunities available in the area.

## 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 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: 10000013618 FIRST CITIZENS NATIONAL BANK**

**Table 1. Lending Volume**

LENDING VOLUME		Geography: MANSFIELD						Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002				
MA/Assessment Area	% 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>												
Mansfield	100.00	1,961	111,428	758	46,624	188	9,634	2	385	2,907	167,686	100.00

\* 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 March 01, 2000 to February 24, 2003.

\*\*\* Deposit Data as of December 31, 2002. Rated Area refers to the state, multi-state MA, or institution, as appropriate.

NATIONAL BANK

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

Geographic Distribution: HOME PURCHASE 2002		Geography: MANSFIELD						Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31,							
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 II	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Mansfield	514	100.00	0.00	0.00	5.79	11.67	94.21	88.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00

\* FCNB is not a HMDA reporter; hence no market share data is available.

\*\* 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.

NATIONAL BANK

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

Geographic Distribution: HOME IMPROVEMENT 2002		Geography: MANSFIELD								Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31,					
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	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Mansfield ****	0	0.00	0.00	0.00	5.79	0.00	94.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

\* FCNB is not a HMDA reporter: hence no market share data is available.

\*\* 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.

\*\*\*\*The bank directs Home Improvement Loans towards its Home Equity Line of Credit product. In accordance with HMDA, data is not collected on lines of credit .

NATIONAL BANK

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

Geographic Distribution: HOME MORTGAGE REFINANCE DECEMBER 31, 2002			Geography: MANSFIELD						Evaluation Period: JANUARY 1, 2000 TO						
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>															
Mansfield	1,447	100.00	0.00	0.00	5.79	11.89	94.21	88.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00

\* FCNB is not a HMDA reporter: hence no market share data is available.

\*\* 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: MANSFIELD				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2002					Market Share (%) by Geography*				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans						
<b>Full Review:</b>																
Mansfield	0	0.00	0.00	0.00	4.31	0.00	95.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

\* FCNB is not a HMDA reporter: hence no market share data is available.

\*\* 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.

NATIONAL BANK

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

Geographic Distribution: SMALL LOANS TO BUSINESSES 31, 2002			Geography: MANSFIELD								Evaluation Period: JANUARY 1, 2000 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 Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Mansfield	758	100.00	0.00	0.00	5.67	15.04	94.33	84.96	0.00	0.00	13.82	0.00	31.58	14.10	0.00

\* Based on 2001 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 (2002).

NATIONAL BANK

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

Geographic Distribution: SMALL LOANS TO FARMS 31, 2002			Geography: MANSFIELD						Evaluation Period: JANUARY 1, 2000 TO DECEMBER						
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 ll	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Mansfield	188	100.00	0.00	0.00	7.35	3.19	92.65	96.81	0.00	0.00	26.92	0.00	30.00	28.80	0.00

\* Based on 2001 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 (2002).

NATIONAL BANK

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

Borrower Distribution: HOME PURCHASE 2002		Geography: MANSFIELD						Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31,							
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****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Mansfield	514	100.00	19.99	6.84	20.92	22.27	23.97	29.49	35.12	41.41	0.00	0.00	0.00	0.00	0.00

\* FCNB is not a HMDA reporter: hence no market share data is available.

\*\* As a percentage of loans with borrower income information available. No information was available for 0.39% 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.

NATIONAL BANK

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT 2002		Geography: MANSFIELD						Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31,							
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****	Over all	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Mansfield *****	0	0.00	19.99	0.00	20.92	0.00	23.97	0.00	35.12	0.00	0.00	0.00	0.00	0.00	0.00

\*\* FCNB is not a HMDA reporter: hence no market share data is available.

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

\*\*\*\*\*The bank directs Home Improvement Loans towards its Home Equity Line of Credit product. In accordance with HMDA, data is not collected on lines of credit.

NATIONAL BANK

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

Borrower Distribution: HOME MORTGAGE REFINANCE 31, 2002		Geography: MANSFIELD								Evaluation Period: JANUARY 1, 2000 TO DECEMBER					
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>															
Mansfield	1,447	100.00	19.99	5.96	20.92	19.46	23.97	30.96	35.12	43.63	0.00	0.00	0.00	0.00	0.00

\*\* FCNB is not a HMDA reporter: hence no market share data is available.

\*\* As a percentage of loans with borrower income information available. No information was available for 0.21% 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.

NATIONAL BANK

**Table11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES 31, 2002			Geography: MANSFIELD				Evaluation Period: JANUARY 1, 2000 TO DECEMBER		
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 <sup>*</sup>	
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans <sup>****</sup>	\$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>									
Mansfield	758	100.00	72.19	78.10	86.15	10.16	3.69	13.82	20.57

<sup>\*</sup> Based on 2001 Peer Small Business Data: US&PR.

<sup>\*\*</sup> 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.

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

<sup>\*\*\*\*</sup> 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 12.93% of small loans to businesses originated and purchased by the bank.

NATIONAL BANK

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

Borrower Distribution: SMALL LOANS TO FARMS 2002		Geography: MANSFIELD			Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31,				
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 <sup>*</sup>	
	#	% of Total <sup>**</sup>	% of Farms <sup>***</sup>	% BANK Loans <sup>****</sup>	\$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>									
Mansfield	188	100.00	96.72	87.23	87.23	10.64	2.13	26.92	29.57

<sup>\*</sup> Based on 2001 Peer Small Business Data: US&PR.

<sup>\*\*</sup> 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.

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

<sup>\*\*\*\*</sup> 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 12.77% of small loans to farms originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: MANSFIELD				Evaluation Period: March 1, 2000 TO FEBRUARY 24, 2003			
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>									
Mansfield	0	0	24	271	24	271	100.00	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.

NATIONAL BANK

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS								Geography: MANSFIELD				Evaluation Period: MARCH 1, 2000 TO FEBRUARY 24, 2003					
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>																	
Mansfield	100.00	15	100.00	0.00	13.00	87.00	0.00	7	2	0	0	5	0	0.00	5.69	94.31	0.00

