



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

FEBRUARY 22, 2000

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

NATIONAL CITY BANK OF PENNSYLVANIA
CHARTER NUMBER: 23019

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NOTE: 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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General Information

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority, when examining financial institutions subject to its supervision, to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

*This document is an evaluation of the CRA performance of **National City Bank of Pennsylvania (NCB-PA)** prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of **February 22, 2000**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.*

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. 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 by another company. A company is under common control with another company if both companies are directly or indirectly controlled by the same company. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Block Numbering Area (BNA) - Statistical subdivisions of counties in which census tracts have not been established. BNAs have been established by the United States Census Bureau in conjunction with state agencies.

Census Tract (CT) - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten year census and an average population of 4,000.

Community Development (CD) - Affordable 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.

Full-Scope Review - Performance under the Lending, Investment and Service Tests is analyzed considering fully understood performance context, quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

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

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

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

Limited-Scope 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, branch distribution).

Low-Income - Income levels that are less than 50% of the median family income.

Median Family Income (MFI) - The median income determined by the United States 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 Statistical Area (MSA) - Area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

Middle-Income - Income levels that are at least 80% and less than 120% of the MFI.

Moderate-Income - Income levels that are at least 50% and less than 80% of the MFI.

Small Business Loans - Loans with original amounts of \$1 million or less that are: (1) secured by nonfarm nonresidential properties; or (2) commercial and industrial loans to U.S. addresses.

Small Farm Loans - Loans with original amounts of \$500 thousand or less that are: (1) secured by farmland; or (2) to finance agricultural production and other loans to farmers.

Tier 1 Capital - The total of common shareholders' equity, perpetual preferred shareholders' equity with noncumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries. Pro-rated Tier I Capital is obtained by distributing portions of Total Tier I capital among the bank's assessment areas. This distribution is based on the level of deposits in each area.

Upper-Income - Income levels that are 120% or more of the MFI.

Overall CRA Rating

Institution's CRA Rating: This institution is rated "**Outstanding.**"

The following table indicates the performance level of **National City Bank of Pennsylvania (NCB-PA)** with respect to the Lending, Investment, and Service Tests:

Performance Levels	National City Bank of Pennsylvania (NCB-PA) Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	X
High Satisfactory			
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 lending activity is excellent. Geographic distribution of home mortgage loans and small loans to businesses is excellent. The distribution of home mortgage loans and small loans to businesses based on income levels is good. The level of Community Development lending is excellent.
- The volume of qualified investments is good. The investments are highly responsive to identified needs for affordable housing and economic revitalization. In addition, nearly all of the bank's qualified investments are considered either innovative or complex.
- The distribution of branch offices is excellent. Delivery systems are readily accessible to geographies and individuals of different income levels in the assessment area. Banking hours and services are excellent. The provision of community development services is excellent and considered innovative and highly responsive to the needs of the community.

Description of Institution

National City Bank of Pennsylvania (NCB-PA), headquartered in Pittsburgh, Pennsylvania, is a wholly owned subsidiary of National City Corporation (NCC), which is headquartered in Cleveland, Ohio. As of September 30, 1999, NCC had total assets of \$85 billion, making it the twelfth largest bank holding company in the United States. NCC provides a full range of consumer and commercial financial products and services and operates banking offices in 6 states: Illinois, Indiana, Kentucky, Michigan, Ohio, and Pennsylvania. The Corporation operates more than 1,200 branch offices and 1,800 ATM's. NCC is one of the five top originators of federally guaranteed student loans in the country, and is the fifth largest originator of small business loans.

As of September 30, 1999, NCB-PA reported total assets of \$13 billion, total loans of \$10.7 billion, and a loan-to-deposit ratio of 108.6%. Tier 1 capital totals \$774.9 million. NCB-PA operates 220 branch offices and 295 deposit-taking automatic teller machines (ATM's) throughout the state of Pennsylvania. As of September 30, 1999, NCB-PA's loan portfolio consisted of 54% real estate loans, 23% consumer loans, 18% commercial loans, 5% other loans, and < 1% agricultural loans.

The bank's operating subsidiary, Altegra Credit Company contributes favorably to the CRA performance of the bank. This subsidiary originates loans that meet secondary market criteria, as well as loans with substantially modified lending criteria.

There were two non-bank affiliates that contributed to the bank's CRA performance and one bank affiliate. Refer to Appendix A for identification of the entities and the activities they contributed.

Throughout the review period, there were no significant financial barriers limiting NCB-PA's ability to meet identified credit needs within its assessment areas.

NCB-PA operates in a limited number of low-income communities that are dominated by one or more financial institutions that have opted to price home mortgage loans below market rates. The practice is common among banks that have strong financial capacity, and are seeking to establish or expand market share in targeted communities. NCB-PA's management stated that the bank's current financial position limits its ability to compete at below market rates.

At present, NCB-PA's market area consists of three Metropolitan Statistical Areas (MSAs) and three assessment areas in non-metropolitan parts of the state. All of the assessment areas are within the state of Pennsylvania, and therefore the bank was evaluated as an intrastate bank. The bank's assessment areas include:

- 1) The entire Pittsburgh MSA,
- 2) The entire Erie MSA,
- 3) The entire Sharon MSA,
- 4) An eleven county wide area in the western portion of the state, which includes: Armstrong, Clarion, Clearfield, Crawford, Elk, Forest, Indiana, Jefferson, McKean, Venango, and Warren counties,
- 5) Lawrence County,
- 6) Greene County.

Since the previous examination in December 1996, Somerset and Bedford counties were eliminated from NCB-PA's assessment areas. The NCB-PA branches in these counties were sold during 1996. The assessment area changes were considered effective January 1, 1997. As a result, neither county was included as part of this evaluation.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The last evaluation of the bank is dated December 31, 1996. The bank's CRA performance was rated Outstanding. This evaluation assesses the bank's performance from January 1, 1997 to September 30, 1999. The Lending Test included a review of home purchase loans, home-improvement loans, refinanced loans, community development loans, and small business loans. HMDA data and community development loans were considered for the entire evaluation period. Small business data was considered from January 1, 1999 through September 30, 1999. Small business data for 1997 and 1998 was deemed unreliable, and was not included in this evaluation. See the Data Integrity section of this Performance Evaluation for further details.

It is important to note that although the CRA regulation allows banks to receive credit for loans or pools of loans purchased from other financial institutions, NCB-PA's lending efforts center on loans originated directly by the bank or its affiliates. The bank has negligible external purchased loan activity. NCC affiliates do, however, purchase and sell loans from each other to expedite their ability to sell packages of loans to the secondary market. As required by HMDA reporting requirements, NCB-PA and its affiliates report loans purchased from other NCC affiliates as 'purchased' loans. The purchased loans represent a material portion of the reported home mortgage loan data. For the review period, approximately 30% of Home Purchase and 23% of Home Refinance activity is represented by purchased loans. While the standard Performance Data tables in Appendix C include loans originated and purchased, we determined that NCB-PA's home mortgage performance is more accurately reflected by originated loan activity only. Therefore, our primary geographic distribution and borrower distribution analyses of the full-scope assessment area is based on adjusted loan data that excludes purchased loan activity. In general, NCB-PA performance is stronger using this approach, with the impact more prominent under the Borrower Distribution criteria.

The evaluation period for the Investment Test is January 1, 1997 through February 22, 2000. The evaluation period for the Service Test is January 1, 1997 through September 30, 1999. Community development investments, community development services, retail banking locations, and retail banking services were reviewed in connection with these tests.

Data Integrity

The scope of this examination included a review of the accuracy of the bank data analyzed to develop our conclusions and ratings. The data tested for accuracy

includes data made available to the public in accordance with the Home Mortgage Disclosure Act (HMDA) and the CRA regulation. Public data includes home mortgage lending, small loans to businesses and small loans to farms. We also reviewed the accuracy of non-public data for qualified investments, community development services, and community development loans. The tests were performed at the corporate level and included all National City affiliated banks, and subsidiaries and non-bank affiliates contributing to the bank's CRA performance. As a result, the percentages quoted here would be for the entire corporation, and may vary for a particular National City subsidiary bank.

The bank's HMDA data was found to be accurate. No material errors were identified with the home purchase, home improvement, or refinance loans reported by the bank.

Several errors were found in the bank's small loans to business data submissions for the review period. Material errors noted were:

- Renewals were incorrectly reported as loans. Renewals represented 20% of the loans in our sample.
- Revenue data was in error in 5% of our sample.
- Loans secured by residential real estate were incorrectly reported as small loans to businesses. These types of loans represented 5% of our sample.

Bank management corrected data with respect to the small loans to businesses for the period covering January 1, 1999 through September 30, 1999, but was unable to correct 1997 and 1998 data. As a result, our small business analysis will be limited to the bank's performance during the first three-quarters of 1999. Market share data for 1999 was not available, and because of errors in the bank's data, 1998 market share data was not used.

Material errors were noted with the non-public information provided to examiners regarding community development loans. A number of loans to small businesses were incorrectly included in the community development loan totals. Management was unable to identify or remove these loans from the data provided to examiners because of time and financial constraints. Loans to small businesses accounted for 15% of our sample. Many of these loans have community development as their primary purpose. We excluded these small business loans from our Community Development loan totals.

Selection of Areas for Full-Scope Review

We selected a sample of bank assessment areas for full-scope reviews and the

remaining assessment areas were reviewed in a more limited manner. The data contained in the tables in Appendix C was evaluated for each bank assessment area and this data was factored into our conclusions. However, for full-scope assessment areas, additional information was developed concerning credit and community development needs, and opportunities for community development activities. The analysis of the bank's performance in full-scope areas was expanded to include a detailed analysis of the geographic distribution of lending. Also, individual community development loans, services, and qualified investments were reviewed to assess qualitative factors such as complexity, innovation, leadership, and responsiveness to identified needs. The Service Test included an analysis of the location of bank branches to gauge accessibility.

The Pittsburgh MSA received a full-scope review. This area contains 79% of the bank's deposits, 83% of low- and moderate-income tracts, 68% of the population, 69% of businesses and farms, and 73% of NCB-PA's branch offices.

The following assessment areas received limited-scope reviews: the Western Pennsylvania area (11% of bank deposits), Sharon (4% of bank deposits), Erie (3% of bank deposits), Lawrence county (2% of bank deposits), and Greene county (1% of the bank deposits). Sharon and Erie are Metropolitan Statistical Areas. Western Pennsylvania, Lawrence, and Greene counties are non-metropolitan areas. Conclusions for non-metropolitan areas were combined for purposes of this review.

Ratings

The bank's overall rating is based primarily on the Pittsburgh MSA, which received a full-scope review.

Other

We primarily relied on contacts with a community group coalition headquartered in the Pittsburgh area. The coalition is comprised of 27 groups that operate throughout the City of Pittsburgh, Pennsylvania. In addition, we reviewed a compilation of community reinvestment data gathered by OCC examiners within the last 12 months.

Specific needs within the full scope assessment area are addressed in Appendix B of this report.

Fair Lending Review

As part of our fair lending analysis we performed a comparative file review of 226 home purchase applications that were received by National City Mortgage Company (NCMC) during 1998. The Mortgage Company receives applications from all six states where NCC has branch offices, including Pennsylvania. The approval/denial process utilized is identical for all applications. Applicant race was used as the prohibitive basis. We compared 53 denied applications made by Blacks to 173 marginally approved applications made by Whites.

Our analysis did not identify any substantive violations of the anti-discrimination laws and regulations. NCMC continues to implement an ongoing fair lending monitoring system. The system consists of adequate policies and procedures, periodic training, and internal assessments.

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

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

Lending Activity

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

During the review period, home mortgage loans accounted for approximately 90% of NCB-PA's loans in the Pittsburgh MSA, with small loans to businesses comprising the substantial majority of the remainder. Based on this data, throughout our analysis, we gave the greatest consideration to home mortgage loans. Small farm lending is not a major component of the bank's activities. It represents less than 1% of total reported loans, and was not identified as an unmet credit need by community contacts. As a result, farm loans were not considered material for purposes of this review.

Of the total home mortgage loans made by the bank, approximately 40% were Home Purchase, 42% Home Refinance, and 18% Home Improvement. Based on these percentages, and identified credit needs for affordable housing, especially homeownership, we gave the greatest consideration to home purchase loans, followed by refinance, and home improvement loans.

Throughout our analysis, NCB-PA's percentage distribution of lending compared to demographic information was given more weight than the market share information. The reason for this emphasis is that the distribution of lending information covers the bank's activity in 1997, 1998, and the first three quarters of 1999, compared to market share information which only reflects 1998 activity.

NCB-PA's lending activity in the Pittsburgh MSA is excellent. During 1998, NCB-PA was ranked third in deposit market share (17.1%), but was clearly a leader in Home Purchase lending with an 11.3% market share. The closest competitor had an 8.2% market share. During the same period, the bank was ranked second in both Home Refinance and Home Improvement lending. It is important to note that while NCB-PA's deposit market share was 32% smaller than the leading competitor, its Home Refinance and Home Improvement market shares were only 4% and 24% smaller, respectively.

Distribution of Loans by Income Level of the Geography

The geographic distribution of NCB-PA's home mortgage and small loans to businesses is excellent in the Pittsburgh MSA. This is based on excellent performance with respect to Home Purchase loans, Home Improvement loans, and small loans to businesses, and adequate performance with respect to Home Refinance Loans. Loan penetration throughout the entire Pittsburgh assessment area (AA) was excellent, and a substantial majority of loans were made within the bank's AAs. The volume of small loans to farms was not significant enough to perform a meaningful analysis.

Home Mortgage Loans

Refer to Tables 2, 3, and 4 in Appendix C for standardized data regarding the geographic distribution of the bank's home mortgage loan originations and purchases. As previously explained in the Scope of Evaluation, we used adjusted loan data to conduct our geographic distribution analysis. This data focuses only on loan originations. The following narrative contains the specific facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations.

The geographic distribution of Home Purchase loan originations is excellent in the Pittsburgh AA. The percentage of NCB-PA's Home Purchase loans made during the evaluation period in low-income geographies (1.12%) is near the percentage of owner-occupied housing units that are within low-income geographies (1.28%). The percentage of Home Purchase loans made in moderate-income geographies (19.05%) exceeds the percentage of owner-occupied housing units within those geographies (18.82%). NCB-PA's market share in low- (16.76%) and moderate-income geographies (14.26%) exceeds its overall Home Purchase market share of 9.99%. Note that more weight is placed on performance in moderate-income tracts, since those areas comprise a significantly larger market than low-income areas.

The geographic distribution of Home Refinance loan originations is adequate in the Pittsburgh AA. Performance is poor in low-income areas and good in moderate-income areas. In low-income geographies, NCB-PA's percentage of loans (0.55%) is less than the percentage of owner-occupied housing units located in those areas, and the bank's market share in low-income geographies (3.34%) is significantly less than its overall Home Refinance market share of 10.06%. The percentage of loans originated in moderate-income geographies (15.51%) is near the percentage of owner-occupied housing units that are within those geographies. In addition, NCB-PA's market share in moderate-income areas (10.41%) exceeds its overall market share.

Home Improvement loan geographic distribution is excellent in the Pittsburgh AA. In low-income geographies NCB-PA's percentage of loans (1.10%) is near the percentage of owner-occupied housing units located in those areas (1.28%), and the bank's market share in low-income geographies (9.13%) is somewhat less than its overall Home Improvement market share of 13.20%. The percentage of loans originated in moderate-income geographies (22.75%) exceeds the percentage of owner-occupied housing units that are within those geographies. In addition, NCB-PA's market share in moderate-income areas (14.23%) exceeds its overall Home Improvement market share of 13.20%.

Small Loans to Businesses

Refer to Table 5 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.

The geographic distribution of small loans to businesses is excellent in the Pittsburgh AA. Performance is adequate in low-income areas and excellent in moderate-income areas. The percentage of loans NCB-PA made in low-income geographies is somewhat less than the percentage of businesses that are within those geographies. The percentage of small loans to businesses in moderate-income geographies exceeds the percentage of businesses located in those geographies. Given that less than 3% of businesses are located in low-income areas, and nearly 22% are located in moderate-income percentages of the market, considerably more weight is placed on moderate-income performance.

Small Loans to Farms

Table 6 in Appendix C details the facts and data relative to the geographic distribution of the bank's origination/purchase of small loans to farms. The volume of loans is very small, and as a result, a meaningful analysis could not be performed.

Lending Gap Analysis

Reports detailing NCB-PA's home mortgage lending were reviewed to identify gaps in geographic distribution. During the review period, NCB-PA had excellent penetration throughout the Pittsburgh AA. Loans were originated in all but four of the AA's 736 populated census tracts; this computes to a penetration rate of 99.5%. With only nine months of small loans to businesses and farms data available, our review of lending patterns for these activities was limited. No conspicuous gaps in lending patterns were detected in any product lines.

Inside/Outside Ratio

The inside/outside ratio was calculated on a statewide basis and does not include any affiliate lending.

NCB-PA has done an excellent job of serving borrowers within its defined assessment areas. During the review period, 87% of the bank's home mortgage loans, 95% of small loans to businesses, and 97% of small loans to farms were made within NCB-PA's AAs. This was given positive consideration when drawing conclusions relative to the bank's overall geographic distribution of lending performance.

Distribution of Loans by Income Level of the Borrower

The distribution of home mortgage loans and small loans to businesses based on the income levels of the borrowers is good in the Pittsburgh AA.

Home Mortgage Loans

Refer to Tables 7, 8, and 9 in Appendix C for standardized data regarding the borrower distribution of the bank's home mortgage loan originations and purchases. As previously explained in the Scope of Evaluation, we used adjusted loan data to conduct our borrower distribution analysis. This data primarily focuses only on loan originations. The following narrative contains the specific facts and data we used to evaluate the borrower distribution of the bank's home mortgage loan originations.

Note that the expectation for the percentage of lending to low-income borrowers is not as high as for moderate-income borrowers because of the more limited ability of low-income borrowers to afford home ownership.

Home Purchase borrower distribution is good. The percentage of loans made to low-income borrowers (7.60%) is less than the percentage of families that are low-income (19.58%). However, when housing affordability is factored in, the performance is considered adequate. In addition, during 1998, NCB-PA's market share of loans to low-income borrowers (11.79%) significantly exceeded its overall Home Purchase market share (9.99%). Finally, while the aggregate market extended 6.05% of Home Purchase loans to low-income borrowers, NCB-PA made 7.15% of its loans to these borrowers during this same time period. The percentage of Home Purchase loans originated to moderate-income borrowers (18.70%) exceeds the percentage of the AA's families that are moderate-income (18.32%). NCB-PA's moderate-income borrower market share (10.32%) exceeds its overall Home Purchase market share.

Home Refinance borrower distribution is adequate. The percentage of Home Refinance loans originated to low-income borrowers (5.35%) is significantly less than the percentage of families that are low-income (19.58%). The percentage of Home Refinance loans made to moderate-income borrowers (13.26%) is somewhat less than the percentage of families that are moderate-income (18.32%). During 1998, NCB-PA's percentage of loans originated to low- and moderate-income borrowers was also somewhat less than the aggregate market's originations to low- (5.94%) and moderate-income (15.43%) borrowers. NCB-PA's 1998 market share of loans to low-income (7.00%) and moderate-income borrowers (7.94%) is somewhat less than its 10.06% overall Home Refinance market share. During 1998, the performance of aggregate lenders in the Pittsburgh MSAs was less than one-third of the low-income family demographic. Given the market's weak performance, we gave some consideration to the possibility that demand for Home Refinance loans by low-income borrowers may be less than the percentage of the market represented by that segment. Therefore, we placed additional weight on NCB-PA's market share performance when drawing our conclusion.

Home Improvement borrower distribution is excellent. The percentage of Home Improvement loans originated to low-income borrowers (12.59%) is somewhat less than the percentage of low-income families in the AA (19.58%). However, when housing affordability is factored in, the performance is considered excellent. The percentage of loans to moderate-income borrowers (18.64%) exceeds the percentage of moderate-income families in the AA (18.32%). Relative to its position in the market, NCB-PA's performance is excellent. The bank's 1998 market share of loans to low-income borrowers (14.51%) and to moderate-income borrowers (13.45%) exceeded its overall Home Improvement loan market share of 13.20%.

Small Loans to Businesses

Refer to Table 10 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 borrower distribution of small loans to businesses is excellent in the Pittsburgh AA. The percentage of small loans to businesses with revenues of \$1 million or less exceeds the percentage of AA businesses in that revenue category. Furthermore, 88% of small loans to businesses were for amounts of \$100,000 or less, reflecting the bank's willingness to extend credit in smaller amounts.

Small Loans to Farms

Table 11 in the Appendix C details the facts and data relative to the borrower

distribution of the bank's origination/purchase of small loans to farms. As the volume of loans is small, a meaningful analysis could not be conducted.

Community Development Lending

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

NCB-PA's excellent community development (CD) lending is attributed to its volume of activity, responsiveness to community needs, and complexity. CD lending had a positive impact on the Lending Test conclusion for the Pittsburgh AA.

NCB-PA originated 93 CD loans totaling \$63 million in the Pittsburgh MSA (10.81% of pro-rated Tier I Capital). The number and dollar volume of CD lending activity is excellent given the bank's size, capacity, and the high level of competition for such loans.

The bank's CD loans in the Pittsburgh MSA have been highly responsive to the needs of the local community. The loans primarily address identified credit needs for affordable housing and inner city revitalization. In addition, nearly 15% of NCB-PA's CD loans promote economic development by rehabilitating abandoned commercial buildings located in low-income areas, or by providing social services to low-income families. Several of the bank's CD loans are considered complex because of the structure and higher than average level of risk associated with the loan.

The following examples highlight the bank's CD lending in the Pittsburgh MSA.

Chicora Commons - A \$750 thousand loan to finance expenses associated with an affordable housing initiative. Proceeds were extended to a non-profit and used to fund contractor payments during the construction phase of this 27-apartment unit complex. NCB-PA was the only bank to participate in this capacity. The homes target elderly, low-income persons. It is considered complex because of the higher than average risk it entailed. NCB-PA could not secure the loan with a mortgage because of tax credit regulations (the apartments were permanently financed using Low Income Housing Tax Credits). As an innovative alternative, the bank accepted a \$250M certificate of deposit as collateral and funded the remaining \$500M on an unsecured basis.

MRRC Development - A \$3 million line of credit to finance an affordable housing/revitalization project. Proceeds were used to construct 99 townhouses. This project served as a catalyst for the development of several small businesses within this low-income census tract that has been targeted for revitalization by local community groups. The businesses rely heavily on the patronage of MRRC residents for viability. MRRC targets low- and moderate- income families.

Product Innovation and Flexibility

Product flexibility had a positive impact on the Lending Test conclusions for the Pittsburgh MSA.

NCB-PA provides a large array of lending products; many of them are either innovative or flexible in their structure. These products are designed to address affordable housing needs of low- and moderate- income persons or geographies. Affordable housing was identified as a primary credit need by community contacts.

Some examples of flexible products offered by NCB-PA are highlighted below. The bank reports these products as part of its HMDA data. HMDA does not differentiate flexible products from more traditional loan products. As a result, the specific number of loans originated under each program is not detailed here.

Home at Last - This flexible mortgage product is available to borrowers purchasing homes in low- or moderate-income areas. It features a low downpayment requirement, no mortgage insurance, and flexible terms.

NCHAMP Loans - This flexible mortgage product is offered to homebuyers who are purchasing properties located in National City Community Development Corporation (NCCDC) sponsored developments. The loan features a low downpayment requirement and reduced interest rates. NCHAMP loans primarily target low- and moderate-income geographies.

Residential Mortgage Programs - NCB-PA offers a number of specialized products designed to facilitate home ownership for low- or moderate- persons or within low- or moderate-income communities. These programs are offered in association with a variety of governmental agencies and community groups including: Fannie Mae, Housing Opportunities, Inc., United States Department of Agriculture, The Urban Redevelopment Authority of the City of Pittsburgh, The Pennsylvania Housing Finance Agency, The Allegheny County Residential Finance Authority, and The Federal Housing Administration.

Working Mortgage - NCB-PA is one of four lenders selected nationwide to pilot this innovative affordable mortgage program that allows borrowers to purchase a home with a low downpayment requirement. It helps homeowners to build equity faster through weekly or bi-weekly payments that are automatically deducted from their checking or savings accounts. The mortgages are primarily designed to address the needs of low- and moderate- income borrowers and communities.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in all areas receiving limited scope reviews is weaker than the bank's overall Outstanding Lending Test rating. Refer to Tables 1 through 11 in Appendix C for the facts and data that support these conclusions.

The primary reason for the weaker rating is the distribution of home refinance loans in low- and moderate-income census tracts, or to low- and moderate-income borrowers. NCB-PA's distribution of loans in limited scope areas was generally near to or somewhat less than corresponding demographics. This was considered in the overall conclusions, but did not negatively impact the overall rating.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

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

Refer to Table 12 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

The assessment of NCB-PA's investment performance is based on the investments' volume, responsiveness to community needs, and complexity and innovation.

The volume of investments is good, given that the area has a moderate level of CD opportunities and a high level of competition. (Refer to the Market Profile in Appendix B). The investments have been highly responsive to the needs of the community. In the Pittsburgh area, 90% of the investments addressed identified needs for affordable housing and economic revitalization. The remaining 10% address job training and social service needs of low-income families. Prior period investments were given significant weight in the volume conclusion because of the strong impact they continue to exert on the local community. The prior period investment funds remain under the control of community groups who use them to re-fund loan pools, or as leverage in attracting additional private and public investors.

NCB-PA is consistently involved in developing opportunities for investments within its local community. This is accomplished through the formation of long term equity partnerships with community groups and local developers. Nearly all of the qualified investments that have resulted from these partnerships are considered either innovative or complex. Community contacts describe NCB-PA as a leader in CD investments.

The following examples highlight the bank's performance in the Pittsburgh MSA. The investments detail projects in which NCCDC, a nonbank affiliate created an equity partnership with a local non-profit group, municipality, or developer.

429 First Side - NCCDC supported the City of Pittsburgh's downtown economic revitalization plan by investing \$300 thousand in this project. The funds were used to convert abandoned warehouse space into eight residential units. The project is considered innovative since it is the first conversion of its type within Pittsburgh. The 8 unit lofts target moderate- to middle-income persons, and are located in a low-income tract.

Butler County First Time Homebuyer Program - NCB-PA has developed this affordable homebuyer program that is designed to address the needs of low-income families transitioning from public housing. The program also creates an investment opportunity for smaller financial institutions, and has served as a model for similar programs in Beaver, Fayette, Washington, and Mercer counties. To date, there are 27 public and private investors who participate in the program. This consortium has created a pool of equity funds that finance a variety of housing related issues, including: credit counseling, acquisition and rehabilitation of homes, street improvements, closing costs, and down payment assistance. The program participants are all low-income. NCCDC invested \$300 thousand in the project. The project is considered both innovative and complex because it creates a new investment opportunity, involves a significant number of public and private investors, and is comprehensive in nature.

Denny Row - In an effort to aggressively market the sale of abandoned homes in a moderate-income tract, NCCDC invested \$75 thousand in this project. Several local CDC's have targeted the area for revitalization. Funds were used in both the purchase and exterior renovation of six row houses. The exterior renovation included exterior brick cleanup, porch construction, new window installation, and roof repair/replacement. This innovative approach significantly improved the appeal of the row houses to potential buyers, and was the first time rehabilitation of this type had been utilized in the city of Pittsburgh. The homes are being marketed to moderate- and middle-income families.

Friendship Development - The Development consists of two projects, "Rebuilding Friendship" and "Clarendon Place". In an effort to revitalize a low-income, high crime, drug infested area, NCCDC invested \$582 thousand in the Development. The equity funds were used in both the acquisition and renovation of 17 badly deteriorated single family homes. NCCDC is the only financial entity involved in "Rebuilding Friendship", and only one of two such entities involved in "Clarendon Place". It is important to note that in the "Clarendon Place" project, only NCCDC is present in the more risky capacity of equity partner. The homes are being marketed to low- and moderate-income families. NCB-PA's investment in Friendship Development is part of the bank's ongoing participation in the revitalization of this low-income community. In the same area, the bank has: financed five commercial properties, opened a new branch office in the neighborhood pharmacy, and financed the renovation of a closed car dealership into workspace for local artists.

Historic Deuchtown III - NCCDC invested \$113 thousand in this affordable housing project that is located in a moderate-income census tract, and targets moderate-income families. In addition to purchasing and renovating five single-family homes, the equity funds were used for the construction of a unique Sustainable Technology Home (STH). The STH will be used as a test site for

technology that makes inner city housing rehabilitation more affordable. This futuristic technology includes the ability to alter heating and cooling systems, as well as light settings via computer and modem; geothermal heating; floors and cabinetry made from recycled materials; and new soundproofing technology. The home will also be used as a learning laboratory for professionals in the futuristic technology field. No other banks are involved in this project as an equity partner. The project is considered innovative because of the unique technology involved, and because of the initiative and high level of risk taken by NCCDC in helping to pioneer the technology.

Manchester Hope VI + , Phase II - NCCDC invested \$405 thousand in this affordable housing project located in a low-income census tract. There are numerous public and private investors who support Phase II. However, only one other financial institution participates. Local community advocates described the funding and the scope of the project as complex and innovative. The funding was noted as complex due to the significant number of public and private investors involved. The scope of the project was described as innovative because it involves the demolition of over 100 dilapidated public housing units, construction of 50 for-sale and 45 rental townhomes, the rehabilitation of 80 rental apartments, and the provision of social/community services. The new/rehabilitated homes primarily target low-, moderate-income families, but is also available to middle-income families.

Miller Avenue - Faced with the community need for affordable, newly constructed housing, NCCDC invested \$84 thousand in this project that facilitated the construction of seven modular homes. The project represents the first new housing in this low-income census tract in over 15 years, and the first time modular housing has ever been used. The units sell for as low as \$25 thousand, and represent a creative solution for meeting the housing needs of low-income families.

Nine-Mile Run (Somerset at Frick Park) - NCCDC invested \$37 thousand to finance a feasibility study for redevelopment and environmental cleanup of 238 acres of brownfield land located in a moderate-income tract. The land had previously been used as a dumping facility for steel production by-products. The feasibility study was a requisite in attracting investors, however no other banks in the area were willing to participate in the feasibility phase of the project. Since completion of the study, the City of Pittsburgh has committed funding for an environmental cleanup that will take approximately 10 years.

Pennsylvania Community Development Bank (Governor's Bank) - NCCDC made an equity investment of \$2 million in this project. The funds were used to capitalize the Governor's Bank. The Governor's Bank receives loan and grant requests from small businesses and community groups located in low- and moderate- income areas in Western Pennsylvania, including Pittsburgh. Representatives from local community groups market the program and submit loan and grant requests to the

Governor's Bank loan committee. Once the committee approves the loans, as a group, commercial bank participants fund the loan. This project creates a unique method of funding new or under-capitalized small businesses. It will also provide additional grant monies for community groups that participate in the program.

Grants/Donations - During the review period, NCB-PA made 422 grants totaling \$2 million to a number of community development and housing coalition agencies. In addition, several donations were made to local community groups that strive to meet the social service needs of low- and moderate-income families.

Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the Erie and Sharon MSAs is not inconsistent with the bank's overall Outstanding performance under the Investment Test. In the non-metropolitan areas the bank's performance is weaker than the bank's overall performance. The weaker performance was primarily the result of limited investment opportunities in the non-metropolitan areas. This was considered in the overall conclusions, but did not negatively impact the rating.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

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

Retail Banking Services

Refer to Table 13 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.

The distribution of NCB-PA's branch offices in the MSA is excellent. The bank's delivery systems are readily accessible to geographies and individuals of different income levels. The percentage of NCB-PA's branch offices in moderate-income geographies exceeds the population in those geographies and while the bank's percentage in low-income geographies is somewhat less than the population demographics, there are several branches in close proximity to the low-income geographies. The percentage of offices in low-income geographies is somewhat less than the population demographics in these geographies. However, there are several branches in close proximity to low-income areas. When the affect of these branches is considered, the bank's percentage of branches in low-income tracts is near to the population demographics. Many of these additional branches are located in high traffic areas readily accessible by public transportation. Finally, low-income census tracts represent less than 5% of all tracts in the Pittsburgh MSA, and contain less than 3% of the population. Over 92% percent of all low-income families live outside of low-income geographies.

Branch openings and closings have not adversely affected the accessibility of delivery systems in low- and moderate-income areas. Twenty-two branches closed during the review period. Of this total, seven occurred in low- or moderate-income census tracts. NCB-PA made reasonable efforts to minimize the affect of branch closings on low- and moderate-income areas. In metropolitan areas, closings occurred within one mile of an existing facility. In rural areas, closings occurred in non-profitable units located in communities with numerous banking competitors.

No branch openings occurred in low- or moderate-income tracts during the review period.

NCB-PA's business hours and services offered throughout the Pittsburgh MSA are excellent. Standardized hours and services provided Monday through Friday are comparable among all 161 locations without regard to the income level of the geography. Tailored business hours including extended evening and weekend hours

are routinely structured to meet the needs of the local community. Tailored hours exist in approximately 40% of NCB-PA's facilities, including branches located in low- and moderate-income neighborhoods. Tailored hours are also available in facilities located in high traffic locations such as grocery and drug stores.

In addition to its standard products and services, NCB-PA offers a highly efficient Small Business Administration (SBA) customer support program. The intensity and aggressiveness of the program makes it unique. NCB-PA's SBA lenders operate throughout the Pittsburgh area. They are well trained and offer hands-on, step-by-step, ongoing support to customers making SBA inquiries or seeking to obtain SBA loans. NCB-PA developed this service in response to concerns raised by small business owners, especially those operating in low- and moderate-income census tracts. The service has been highly effective as reflected in the fact that the bank has been the area's leading SBA lender for the past five years.

NCB-PA offers a Basic Checking account that is designed to meet the needs of low- and moderate-income customers for a \$3 monthly service charge with no minimum balance requirements. If the customer is over the age of 60, the bank offers Free Senior Citizens Regular Checking account with no minimum balance requirement. Finally, the bank offers a Self-Serve Checking product that does not assess fees for ATM or electronic transactions.

NCB-PA's ATM network offers an effective alternative delivery system for providing retail banking services in low- and moderate-income geographies and to low- and moderate-income individuals. Within the Pittsburgh MSA, the percentage of ATMs in moderate-income geographies (26.46%) exceeds the portion of the population that resides in those geographies (21.21%). The percentage of ATMs in low-income areas (1.79%) is less than the portion of the population that resides in those geographies (2.85%). The bank's ATM network mimics its distribution of branch offices, as described above. There are several ATMs in close proximity to low-income areas that can be easily accessed with public transportation. When the affect of these ATMs is considered, the bank's percentage of ATMs in low-income tracts is near to population demographics.

NCB-PA also operates several Call Centers that serve as alternative delivery systems for loan products. Customers can access the centers and complete loan applications by phone. The Centers offer extended evening and weekend hours. Internal bank data shows that this has been an effective delivery system for providing retail services to low- and moderate-income customers. Of the total loans processed through Pennsylvania centers, nearly 30 percent represent loan originations to low- or moderate-income borrowers. In addition, approximately 20% were extended within low- or moderate-income census tracts.

The bank also offers a 24-hour telephone banking service, which allows customers

to obtain deposit and loan account information, make loan payments, transfer funds, and pay other household bills. The bank could not provide specific information on telephone banking's impact on low- and moderate-income individuals or geographies. As a result, this delivery system was not given significant weight during the review process.

Community Development Services

NCB-PA provides an excellent level of community development (CD) services to the Pittsburgh MSA. CD services were given significant consideration in the overall rating because of the demonstrated leadership position of the bank. These services are innovative and highly responsive to the needs of the community.

In the Pittsburgh MSA, CD services target the primary needs of the local community. Specifically, they target affordable housing, small business development, and efforts that increase the capacity of local not-for profit entities. Community groups described NCB-PA as a leader in this area.

Numerous bank employees provide leadership for a wide array of local groups that serve the needs of low- and moderate-income communities and families. These employees serve as finance committee members or on Boards of directors for not-for profits, small business associations, affordable housing agencies, and local economic development corporations. As active members of these groups, bank employees have routinely conducted first-time homebuyer seminars, including Spanish language seminars for niche areas. Some of these groups include Redevelopment Authority of Washington, Westmoreland County Housing Authority, Beaver County Housing Authority, Pennsylvania Rural Development Council, Community Development Adhoc Group, and the Pittsburgh Partnership for Neighborhood Development.

The following examples highlight NCB-PA CD service activities in the Pittsburgh MSA during the evaluation period:

Federal Home Loan Bank (FHLB) - Through its Community Development Outreach Officer, the bank provides technical expertise to local community groups seeking Federal Home Loan Bank Affordable Housing Program grants. During the review period, NCB-PA submitted more applications (80% of which were approved for funding) than any other financial institution in the Pittsburgh MSA, and was noted as a leader in this area by the FHLB.

On an ongoing basis, the bank provides guidance to local credit counseling agencies seeking certification for the FHLB's Home Buyer Equity Program, which provides up to \$5,000 to low- and moderate-income, first-time homebuyer's for closing costs. NCB-PA is a leader in this effort in communities located outside of

the City of Pittsburgh.

Pittsburgh Community Reinvestment Group (PCRG) - NCB-PA's partnership with PCRG has resulted in an innovative secondary market resale program. The program includes the packaging and reselling of affordable housing mortgages, and a partnership between Fannie Mae, NCB-PA, and PCRG. The experimental program is the first of its kind in the City of Pittsburgh.

NCB-PA also spearheaded the merger of PCRG's Community Lender Program with Neighborhood Housing Services. The union of these two groups resulted in more efficient pre- and post-closing counseling services for low- and moderate-income homeowners. NCB-PA personnel devoted several months to developing mission statements, operating procedures, staffing models, press releases, as well as creating a budget for the resulting entity.

National City Community Development Corporation (NCCDC) - Through its nonbank affiliate NCCDC, the bank has taken a leadership role in establishing partnerships and in providing technical expertise to a number of housing authorities and developers. Two examples include: The Beaver Housing Authority where NCCDC created an affordable housing investment vehicle for seven other banks by providing expertise, consulting services, and a staff for ten months; and The Nine Mile project where NCCDC was the only financial entity to provide funding, technical expertise, and serve as a vocal advocate for the development and clean up of local brownfields.

Small Business Administration (SBA) - During the review period, NCB-PA served as the lead sponsor of the local SBA weekly business tours. The tours entail weeklong visits to local businesses by teams of small business development experts. NCB-PA was the first bank in the United States to sponsor this tour. Sponsorship includes co-ordination of events, identification of businesses, technical expertise regarding small business lending, and funding.

In addition, as a result of its strong internal SBA support system and historic leadership role in SBA lending, the Small Business Administration selected NCB-PA as one of 13 banks nationwide to serve as a test sight for its SBA authorization program. This program provides faster loan processing of SBA loans.

Women's Enterprise Center - NCB-PA spearheaded efforts to fund, organize, and plan the development of this entrepreneurial training facility for women and minority-owned small businesses. Training includes business planning and financing. This was primarily accomplished by providing one of the bank's senior managers to serve as a member of the Center's Board of Directors.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in areas receiving limited scope reviews is not inconsistent with the bank's overall Outstanding Service Test rating. Refer to Table 13 in Appendix C for the facts and data that support these conclusions.

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 nonmetropolitan areas that received comprehensive examination review (designated by the term Δ Full-Scope Δ) and those that received a less comprehensive review (designated by the term Δ Limited-Scope Δ).

Time Period Reviewed	Lending Test: HMDA January 1, 1997 through September 30, 1999 Small Business January 1, 1999 through September 30, 1999 Investment Test: January 1, 1997 through February 22, 2000 Service Test: January 1, 1997 through September 30, 1999	
Financial Institution	Products Reviewed	
National City Bank of Pennsylvania, (NCB-PA) Pittsburgh, Pennsylvania	Home-purchase and refinanced loans, home-improvement loans, small-business/farms loans, Community-development loans, community-development investments, community-development services.	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Altegra Credit Company	National City Bank of Pennsylvania subsidiary	Home-purchase and refinanced loans, and home-improvement loans.
National City Mortgage Corporation	National City Bank of Indiana subsidiary	Home-purchase and refinanced loans.
NCCDC	Holding corporation subsidiary	Community-development loans, community- development investments, and community- development services.
National City Bank	Holding corporation subsidiary	Home-purchase and refinanced loans.

List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Pittsburgh #6280	Full-Scope	MSA
Erie #2360	Limited-Scope	MSA
Sharon #7610	Limited-Scope	MSA
Non Metropolitan Areas	Limited Scope	Non-MSA

Appendix B: Market Profiles for Full-Scope Areas

Pittsburgh MSA

Demographic Information for Full-Scope Area: Pittsburgh MSA #6280						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA % of #
Geographies (Census Tracts/BNAs)	780	4.74	24.87	45.13	19.62	5.64
Population by Geography	2,394,811	2.85	21.21	51.21	24.56	0.17
Owner-Occupied Housing by Geography	663,192	1.28	18.82	54.12	25.78	0.00
Businesses by Geography	89,639	2.91	21.59	43.96	29.58	1.96
Farms by Geography	2,275	0.40	13.32	64.13	22.02	0.13
Family Distribution by Income Level	659,389	19.58	18.32	22.75	39.35	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	249,848	5.45	31.03	51.87	11.65	0.00
Median Family Income	= \$32,787	Median Housing Value		= \$55,032		
HUD Adjusted Median Family Income for 1998	= \$42,700	Unemployment Rate June 30, 1999		= 4.04%		
Households Below the Poverty Level	= 12.71%					

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 U.S. Census, and 1998 HUD updated MFI.

NCB-PA's assessment area consists of the entire Pittsburgh MSA, which includes Allegheny, Beaver, Butler, Fayette, Washington and Westmoreland counties. As of June 30, 1999, 79.15% of NCB-PA's deposits were derived from this MSA where the bank has 161 branches and 226 ATMs. No changes were made to this assessment area during the evaluation period.

NCB-PA's deposits in this MSA are \$7.7 billion or 17.13% of the market according to the June 30, 1999 FDIC Market Share Reports. The bank is the third largest deposit taking institution in the area. Mellon Bank, National Association, and PNC Bank, National Association dominate the market with a 25.3%, and a 25.5% market share, respectively.

Historically, the Pittsburgh area has had an industrial based economy. The economy suffered significant downturns during the mid 1980's. The resultant population flight fueled a downward spiral of disinvestment. This resulted in large pockets of urban decay, and a significant number of abandoned properties within the inner cities. Although Pittsburgh has been successful in moving towards a

service-based economy, numerous pockets of high unemployment and poverty continue to plague lower-income neighborhoods. Community groups noted a lack of basic services, e.g. grocery stores, dry cleaners, hardware stores, and banking facilities in these neighborhoods. Contacts also noted a proliferation of loan originations made by aggressive subprime lenders to low-income individuals and to the elderly.

As explained earlier in this report, community credit needs within the Pittsburgh assessment area were identified by contacting a community group consortium, and by reviewing other OCC community contacts made within the past 12 months. Affordable housing for low-income households, especially homeownership was identified as a need in the community. In addition, because of the high level of abandoned properties, and general lack of basic services, revitalization of inner city neighborhoods is a strong need in the area.

A moderate level of opportunities exist for creating partnerships with nonprofit housing organizations, community service groups, credit counseling agencies, and micro-loan funds. Within the city of Pittsburgh, community development opportunities are high with the presence of numerous neighborhood based, non-profit groups. However, outside the city, opportunities are limited. Competition for community development loans, investments, and services is high. Most of the competition consists of the two large banks that dominate the market.

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the Δ 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; market rank is based on the number of loans originated and purchased by the bank as compared to all other lenders in the MSA/assessment area; 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 MSA/assessment area.

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 MSA/assessment area.
- 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 rank and 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 Refinance Loans** - See Table 2.
- Table 5. 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 rank and market share information based on the most recent aggregate market data available.
- Table 6. 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) through out those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.

Table 7. 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 MSA/assessment area. The table also presents market rank and market share information based on the most recent aggregate market data available.

Table 8. Borrower Distribution of Home Improvement Loans - See Table 7.

Table 9. Borrower Distribution of Refinance Loans - See Table 7.

Table 10. 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. The table also compares the banks percentage distribution with the percentage of loans originated and purchased by all other small business reporters in the bank's AA to businesses with revenues of \$1 million or less and is based on the most recent aggregate market data available. 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 11. Borrower Distribution of Small Loans to Farms - Compares the percentage distribution of the number of small loans (less than or equal to \$500 thousand) 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. The table also compares the banks percentage distribution with the percentage of loans originated and purchased by all other small farm reporters in the bank's AA to farms with revenues of \$1 million or less and is based on the most recent aggregate market data available. 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 aggregate market data available.

Table 12. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MSA/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 have been reported on schedule RC-L of the Call Reports as an off-balance sheet item.

Table 13. 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 MSA/AA. The table also presents data on branch openings and closings in each MSA/AA.

Table 1. Lending Volume

LENDING VOLUME												
MSA/Assessment Area:	% of Rated Area Deposits in MSA/AA*	Home Mortgage**		Small Loans to Businesses***		Small Loans to Farms***		Community Development****		Total Reported Loans		% of Rated Area Loans(#) In MSA/AA
		#	(\$000's)	#	(\$000's)	#	(\$000's)	#	(\$000's)	#	(\$000's)	
Full Scope:												
Pittsburgh (6280)	79	26,886	1,808,015	2,859	166,988	9	205	109	73,878	29,863	2,049,086	70
Limited Scope:												
Sharon (7610)	4	1,727	93,426	136	9,453	2	153	1	60	1,866	103,092	4
Erie (2360)	3	2,714	192,345	302	18,404	15	866	12	8,007	3,043	219,622	7
Non Metropolitan Areas	14	7,499	346,136	531	37,603	17	453	15	3,325	8,043	384,192	19

(*) Deposit data as of June 30, 1999.

(**) The evaluation period for Home Mortgage Loans is January 1, 1997 to September 30, 1999.

(***) The evaluation period for Small Loans to Businesses and Small Loans to Farms is January 1, 1999 to September 30, 1999.

(****) The evaluation period for Community Development Loans is January 1, 1997 to September 30, 1999.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE										Evaluation Period: 01/01/1997 to 9/30/1999						
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full Scope:																
Pittsburgh (6280)	1.28	.92	18.82	18.34	54.12	49.69	25.78	30.97	1	11.29	12.30	15.09	11.38	9.75	10,746	72
Limited Scope:																
Sharon (7610)	2	0	6	4	87	89	5	7	2	13.5	6.3	6.9	14.2	13.3	723	5
Erie (2360)	2	1	10	11	68	60	20	28	3	9.2	8.8	10.1	9.0	9.3	1,033	7
Non Metropolitan Areas	0	0	10	9	85	83	5	8	1	15.5	0	14.8	15.5	16.2	2,369	16

(*) Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

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

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT										Evaluation Period: 01/01/1997 to 9/30/1999						
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total **
Full Scope:																
Pittsburgh (6280)	1.28	1.12	18.82	22.77	54.12	49.53	25.78	26.58	2	12.59	6.98	13.42	12.06	13.44	4,924	67
Limited Scope:																
Sharon (7610)	2	1	6	4	87	87	5	8	2	15.2	7.7	7.5	15.5	21.8	384	5
Erie (2360)	2	1	10	10	68	64	20	25	2	13.2	2.9	17.0	11.2	19.0	456	6
Non Metropolitan Areas	0	0	10	10	85	85	5	5	1	16.8	40	14.8	16.7	21.1	1,621	22

(*) Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

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

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE										Evaluation Period: 01/01/1997 to 9/30/1999						
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans	
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total **
Full Scope:																
Pittsburgh (6280)	1.28	.50	18.82	14.18	54.12	51.83	25.78	33.49	2	11.05	2.99	10.05	11.05	11.75	11,207	68
Limited Scope:																
Sharon (7610)	2	0	6	2	87	88	5	10	2	10.5	0.0	2.7	10.4	19.4	620	4
Erie (2360)	2	1	10	6	68	59	20	34	3	9.9	5.1	8.0	9.2	12.4	1,220	7
Non Metropolitan Areas	0	0	10	8	85	85	5	7	1	19.3	5	15.8	19.8	18.8	3,506	21

(*) Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

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

Table 5. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES										Evaluation Period: 01/01/1999 to 9/30/1999						
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans	
	% Businesses	% BANK Loans	% Businesses	% BANK Loans	% Businesses	% BANK Loans	% Businesses	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total **
Full Scope:																
Pittsburgh (6280)	2.91	1.99	21.59	22.95	43.96	43.02	29.58	30.19	NA	NA	NA	NA	NA	NA	2,859	75
Limited Scope:																
Sharon (7610)	8	16	7	7	77	67	8	10	NA	NA	NA	NA	NA	NA	136	4
Erie (2360)	10	10	12	14	59	53	19	23	NA	NA	NA	NA	NA	NA	302	8
Non Metropolitan Areas	0	1	15	14	79	80	6	5	NA	NA	NA	NA	NA	NA	531	13

(*) The bank's small business data was unreliable for 1998; as a result market share was not used.

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

Table 6. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS										Evaluation Period: 01/01/1999 to 9/30/1999						
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Farm Loans	
	% Farms	% BANK Loans	% Farms	% BANK Loans	% Farms	% BANK Loans	% Farms	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total **
Full Scope:																
Pittsburgh (6280)	.39	0.00	13.32	0.00	64.13	100.00	22.02	00.00	NA	NA	NA	NA	NA	NA	9	23
Limited Scope:																
Sharon (7610)	0	0	0	0	94	100	6	0	NA	NA	NA	NA	NA	NA	2	5
Erie (2360)	1	0	4	0	82	87	13	13	NA	NA	NA	NA	NA	NA	15	39
Non Metropolitan Areas	0	0	7	8	90	92	3	0	NA	NA	NA	NA	NA	NA	13	33

(*) The bank's small farm data was unreliable for 1998; as a result market share was not used.

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

Table 7. Borrower Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE										Evaluation Period: 01/01/1997 to 9/30/1999						
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Purchase Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***
Full Scope:																
Pittsburgh (6280)	19.58	5.29	18.32	13.02	22.75	20.15	39.35	29.86	1	11.29	11.07	9.43	9.70	8.27	10,746	72
Limited Scope:																
Sharon (7610)	17	2	20	9	25	21	38	28	2	13.5	4.1	8.0	11.0	8.7	723	5
Erie (2360)	19	5	18	15	25	23	38	35	3	9.2	6.0	6.5	9.5	8.6	1,033	7
Non Metropolitan Areas	20	5	20	14	24	20	36	26	1	15.5	12.8	10.8	10.6	12.2	2,369	16

(*) As a percentage of loans with borrower income information available. No information was available for 28% of loans originated and purchased by the bank.
 (**) Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.
 (***) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Table 8. Borrower Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT										Evaluation Period: 01/01/1997 to 9/30/1999						
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Improvement Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total ***
Full Scope:																
Pittsburgh (6280)	19.58	12.57	18.32	18.99	22.75	24.84	39.35	42.75	2	12.59	13.85	12.85	12.22	12.78	4,924	67
Limited Scope:																
Sharon (7610)	17	7	20	17	25	26	38	48	2	15.2	9.6	15.6	17.5	14.7	384	5
Erie (2360)	19	7	18	13	25	29	38	50	2	13.2	7.4	8.0	14.8	15.1	456	6
Non Metropolitan Area	20	9	20	16	24	25	36	49	1	16.8	15.5	14.5	14.2	203	1,621	22

(*) As a percentage of loans with borrower income information available. No information was available for 1% of loans originated and purchased by the bank.

(**) Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.

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

Table 9. Borrower Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE										Evaluation Period: 01/01/1997 to 9/30/1999						
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income*					Total Home Mortgage Refinance Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***
Full Scope:																
Pittsburgh (6280)	19.58	4.11	18.32	10.19	22.75	19.71	39.35	40.89	2	11.05	5.66	7.08	9.71	10.43	11,207	68
Limited Scope:																
Sharon (7610)	17	3	20	8	25	15	38	45	2	10.5	5.0	4.5	7.3	10.2	620	4
Erie (2360)	19	3	18	9	25	17	38	43	3	9.9	4.6	6.1	6.3	9.0	1,220	7
Non Metropolitan Areas	20	4	20	12	24	20	36	43	1	19.3	13.2	14.8	15.2	19.9	3506	21

(*) As a percentage of loans with borrower income information available. No information was available for 25% of loans originated and purchased by the bank.
 (**) Based on 1998 Aggregate HMDA Data Only. Market rank is for all income categories combined.
 (***) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Table 10. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES						Evaluation Period: 01/01/1999 TO 09/30/1999			
MSA/Assessment Area:	Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share***		Total Small Loans to Businesses	
	% 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	#	% of Total****
Full Scope:									
Pittsburgh (6280)	70.61	70.79	88.11	7.66	4.23	NA	NA	2,859	75
Limited Scope:									
Sharon (7610)	71	75	83	11	6	NA	NA	136	4
Erie (2360)	71	64	84	11	5	NA	NA	302	8
Non Metropolitan Areas	73	68	85	10	5	NA	NA	531	13

(*) Businesses with revenues of \$1 million or less as a percentage of all businesses

(**) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small businesses. No information was available for 3% of small loans to businesses originated and purchased by bank.

(***) Bank's 1998 small business data unreliable, 1998 Aggregate Small Business Data not used.

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

Table 11. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS			Evaluation Period: 01/01/1999 TO 09/30/1999						
MSA/Assessment Area:	Farms with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share***		Total Small Farm Loans	
	% of Farms *	% BANK Loans**	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$500,000	All	Rev \$1 million or less	#	% of Total****
Full Scope:									
Pittsburgh (6280)	96.04	100	100.00	.00	.00	NA	NA	9	23
Limited Scope:									
Sharon (7610)	98	100	50	50	0	NA	NA	2	5
Erie (2360)	97	93	87	13	0	NA	NA	15	39
Non Metropolitan Areas	98	85	92	0	8	NA	NA	13	33

(*) Farms with revenues of \$1 million or less as a percentage of all farms.

(**) 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 1% of small loans to farms originated and purchased by the bank.

(***) Bank's 1998 small farm data unreliable, 1998 Aggregate Small Farm Data was not used.

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

Table 12. Qualified Investments

QUALIFIED INVESTMENTS		Evaluation Period: 01/01/1997 to 02/22/2000								
		Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
MSA/Assessment Area:		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$'s	#	\$ (000's)
Full Scope:										
Pittsburgh (6280)		29	2,451	440	7,353	469	9,804	68	9	2,160
Limited Scope:										
Sharon (7610)		23	620	16	604	39	1,224	9	1	521
Erie (2360)		23	373	26	1,498	49	1,871	13	1	900
Non Metropolitan Areas		70	1,163	106	322	176	1,485	10	0	0

(*) "Prior Period Investments" means investments made in previous evaluation periods that are outstanding as of the examination date.

(**) "Unfunded Commitments" mean legally binding investment commitments that are tracked and recorded by the bank's financial reporting system.

Table13. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM																	Evaluation Period: 01/01/1997 to 09/30/1999			
MSA Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population						
	% of Rated Area Deposits in MSA/AA	# of Bank Branches	% of Total Bank Branches	Location of Branches by Income of Geographies				# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)				% of the Population within Each Geography						
				Low (%)	Mod (%)	Mid (%)	Upp (%)			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp			
Full Scope:																				
Pittsburgh (6280)	79	161	73	1.90	32.28	37.97	27.85	22	4	- 2	- 5	- 9	- 2	2.85	21.21	51.21	24.56			
Limited Scope:																				
Sharon (7610)	4	11	5	9	18	64	9	0	0	0	0	0	0	4	8	84	4			
Erie (2360)	3	12	6	17	0	58	25	0	1	0	0	+1	0	5	13	64	18			
Non Metropolitan Areas	14	36	16	0	19	78	3	5	2	0	0	- 4	1	<1	10	84	6			