



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

February 25, 2002

**Community Reinvestment Act
Performance Evaluation**

**The First National Bank of Berwick
Charter Number: 568**

**111 West Front Street
Berwick, Pennsylvania 18603**

**Office of the Comptroller of the Currency
Northern Pennsylvania Field Office
100 Hazle Street, Suite 202
Wilkes-Barre, Pennsylvania 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.

Table of Contents

<u>OVERALL CRA RATING</u>	1
<u>DEFINITIONS AND COMMON ABBREVIATIONS</u>	2
<u>DESCRIPTION OF INSTITUTION</u>	5
<u>SCOPE OF THE EVALUATION</u>	5
<u>FAIR LENDING REVIEW</u>	7
<u>CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS</u>	8
<u>LENDING TEST</u>	8
<u>INVESTMENT TEST</u>	12
<u>SERVICE TEST</u>	13
<u>APPENDIX A: SCOPE OF EXAMINATION</u>	15
<u>APPENDIX B: MARKET PROFILES FOR FULL-SCOPE AREAS</u>	B-1
<u>APPENDIX C: TABLES OF PERFORMANCE DATA</u>	C-1

Overall CRA Rating

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

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

Performance Levels	First National Bank of Berwick 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 bank's level of lending is excellent.
- A substantial majority of home mortgage loans and small loans to businesses are originated within the assessment areas (AAs).
- The geographic distribution of home mortgage and small loans to businesses is excellent.
- The borrower distribution of home mortgage loans is excellent.
- Community development loans had a positive impact on the lending test rating.
- The bank has a good level of community development investments and is responsive to the identified credit needs in the AAs.
- Retail services are readily accessible to geographies and individuals of different income levels in the AAs.
- The bank provides a good level of community development services in the AAs.

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

The First National Bank of Berwick (FNBB) is an independent banking institution founded in 1864 and headquartered in Berwick, Pennsylvania. The bank has offices located in the northeastern Pennsylvania counties of Columbia, Luzerne, and Montour. FNBB is a retail intrastate bank with nine full service branches and three off-site automatic teller machines (ATMs). All of the branches also have on-site ATMs.

As of September 30, 2001, total bank assets were \$393 million. Total loans were \$191 million and total deposits were \$299 million.

FNBB's last Public Evaluation (PE) was dated February 1, 1999 and the overall CRA rating assigned was **Satisfactory**. Since the previous PE, FNBB has not closed any branches and has opened one new branch. There are no financial or legal impediments to hinder FNBB's ability to help meet its community credit needs. FNBB has no operating subsidiaries.

FNBB is a wholly owned subsidiary of First Keystone Corporation (FKC), a one-bank holding company also headquartered in Berwick, Pennsylvania. FNBB is a community bank with primary products that include residential mortgages, small business loans, and consumer installment loans. As of September 30, 2001, net loans and leases represented 50% of total assets. The loan portfolio is comprised of residential mortgages (43%), commercial loans (48%), and consumer loans (9%). Net Tier 1 Capital is \$36 million as of September 30, 2001. Competition in the area is very strong and includes local community banks, regional banks, national non-bank financial institutions, and mortgage companies.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for the Lending Test for home mortgages reported under the Home Mortgage Disclosure Act (HMDA) is from January 1, 1999 through December 31, 2001. For small loans to businesses, the evaluation period is also from January 1, 1999 to December 31, 2001. For community development loans, and the Investment and Service Tests, the evaluation period is February 1, 1999 through February 25, 2002. An analysis of small loans to farms was not meaningful and was not conducted as only one small farm loan was originated. Agricultural lending is not a primary business line of FNBB. Therefore, tables 7 and 12 are not included in the PE.

Data Integrity

During October of 2001, FNBB's publicly filed information and registers were examined by the OCC to verify the accuracy of the data. These registers contain loan data for home mortgages and small businesses. We found the loan data to be accurate, with the exception of a few minor errors, which were corrected.

Community development loans, investments, and services submitted by management were also reviewed at that time and again during this examination to ensure that they met the regulatory definition of community development.

Selection of Areas for Full-Scope Review

We performed a full-scope review of the Scranton--Wilkes-Barre--Hazleton, PA MSA (SWH MSA). The non-MSA of Montour County was selected for a limited-scope review. The MSA AA represents FNBB's major market and accounts for over 97% of FFNB's deposits and lending activity over the evaluation period. The ratings are based primarily on conclusions reached in the evaluation of FFNB's performance in this full-scope AA. Please refer to the table in Appendix B for additional information regarding these areas.

Ratings

The bank's overall rating is based on a full-scope review of its one AA. Home mortgage products received more weight in evaluating the Lending Test than small loans to businesses. Approximately 81% of the loans originated during the evaluation period were home mortgage loans in the AA, with small business loans accounting for nearly all of the remaining 19%. No multi-family housing loans were originated. Also, home purchase mortgages were given more weight in our analysis than home improvement loans and refinance mortgages. Home purchase loans represent 52% of the mortgages in the AA. Further, home purchase loans were identified as the primary credit need of the AA.

Other

During our examination, we contacted one community group and reviewed information from two other community groups. Our discussion was done via the telephone and the group provided us with information regarding the credit needs of the community as well as information regarding the area's small business climate in general. During the discussion and from the information reviewed, we learned that the primary credit needs are small loans for small businesses and affordable housing financing opportunities for both purchase and home improvement. Limited affordable housing is available in the AA, but the quality of the housing is often substandard. The contacts believe that the community banks were doing a good job in meeting these credit needs.

Community development opportunities were seen as somewhat limited in the area, due to the more rural nature of the local counties. The development and encouragement of small businesses in the area was seen as a positive factor and would help stabilize the communities. Our contacts believed that general banking and credit needs were being met in the AA.

Fair Lending Review

An analysis of the bank's most recent public comments, consumer complaint information and the most recent HMDA and Small Business lending data was performed according to the OCC's risk based fair lending approach. Based on its analysis of information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. The latest comprehensive fair lending examination was performed in July of 2001. No violations of the substantive provisions of the anti-discrimination laws and regulations were identified.

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 a full-scope review, the bank's performance in the SWH MSA is excellent.

Lending Activity

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

Lending activity in the SWH MSA is excellent. The bank's lending patterns are generally reflective of the credit needs of the community. Ninety-nine percent of the bank's lending is done in this AA. The bank's lending to individuals is centered in HMDA products, 81% for this AA. Purchase, home improvement, and refinance loans represent 52%, 33%, and 15%, respectively, of all mortgages originated in this AA. Multi-family loans represent an insignificant portion of the bank's lending, with no loans originated for this AA. Small business credit is also a recognized credit need of the AA and therefore is reflected in the volume of lending, 19% for the AA. There is minimal small farm credit lending based on the credit demand at the bank, as only one loan was originated during the evaluation period.

FNBB has eight branches and 97% of its deposits in this AA. The bank is ranked 12th in deposits in this AA with a 3.18% market share as of June 30, 2001. Lending patterns are also similar to deposit patterns. Market share for home purchase, home improvement, and home refinance mortgage loans is 5.98%, 6.83%, and 2.36%, respectively.

Based on 2000 HMDA Peer Mortgage Data, FNBB ranked fourth (4.84% market share) in overall home mortgage lending. Large regional banks and community banks dominate this market.

Based on 2000 HMDA Peer Mortgage Data, FNBB ranked second with a 5.98% market share in home purchase lending. Based on this same data, FNBB ranked fourth with a 6.83% market share in home improvement lending. A large regional bank and a community bank dominate this product in this AA with a combined market share of over 27%.

FNBB ranked eighth with a market share of 2.36% market share in home refinancing behind large regional banks, community banks, and non-bank mortgage lenders in the AA.

Based on 2000 CRA peer data, FNBB ranks 17th in small loans to businesses with a market share of 0.87%. The two top lenders are nationwide credit card issuers and dominate the AA with a combined 42% market share.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

Refer to Tables 2, 3 and 4 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 since no multifamily loans were originated by FNBB in the AA. Therefore, an analysis was not meaningful and Table 5 is not included.

Geographic distribution is excellent in the AA. Home purchase loan geographic distribution is excellent. In the AA, there are no low-income geographies. Home purchase loans made in moderate-income geographies significantly exceed the percentage of owner-occupied housing. The market share for loans made in moderate-income geographies also exceeds their overall market share for home purchase loans.

Home improvement loan geographic distribution is also excellent. While there are no low-income geographies, home improvement loans made in moderate-income geographies exceeds the percentage of owner-occupied housing. FNBB's market share in moderate-income geographies is near its overall market share.

Refinance loan geographic distribution is excellent. There are no low-income geographies; the portion of refinance loans made in moderate-income geographies significantly exceeds and is double the portion of owner-occupied housing units that are within those geographies. The market share for loans made in moderate-income geographies also exceeds FNBB's overall market share for refinance loans.

Small Loans to Businesses

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

Geographic distribution is excellent in the AA. FNBB's small loans to businesses in moderate-income geographies exceeds the percentage of businesses that are located in these geographies. FNBB's market share in moderate-income geographies is near to its overall market share. As was stated previously, there are no low-income geographies in this AA.

Lending Gap Analysis

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

Inside/Outside Ratio

An analysis of the bank's lending within its assessment areas was performed at the bank level as opposed to the individual AA levels. A substantial majority (88%) of the home mortgage loans, small loans to businesses, and community development (CD) loans originated by FNBB over the evaluation period were within its AAs. For HMDA products, 87% of all originations were within the AAs. Eighty-five percent of all purchase money mortgages originated were in the AAs, 90% of all home improvement loans were in the AAs, and 89% of all refinances were in the AAs.

Ninety percent of the small loans to businesses and 100% of the CD loans were within its AAs. This performance was positively factored into the overall analysis of the geographic distribution of lending by income level of geography.

Distribution of Loans by Income Level of the Borrower

The borrower distribution of FFNB's home mortgage loans reflects excellent dispersion among borrowers of different income levels in the AA. Small loans to businesses also indicate excellent distribution.

We considered demographic factors including the high cost of housing compared to the median family income of a low-income person, and the high percentage of individuals below the poverty level, in our home mortgage analysis.

Home Mortgage Loans

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

Borrower distribution for home purchase lending is excellent when considering the difficulty that low-income individuals have in purchasing a home in the MSA. The median cost of housing in the MSA is \$55,000, based on 1990 census data. The HUD updated median family income for 2001 is \$43,300. This means that a low-income person earns less than \$21,650. Additionally, 11.75% of the households in the MSA are below the poverty level.

The percentage of home purchase loans made to low-income borrowers in the AA is below the percentage of low-income families in the MSA. FNBB's market share to low-income borrowers is slightly below its overall market share. This performance is good when considering the affordability of housing for a low-income person in the MSA as discussed above. The percentage of loans made to moderate-income borrowers exceeds the percentage of moderate-income families in the MSA. FNBB's market share to moderate-income borrowers is slightly below its overall market share. This performance is excellent.

Home improvement borrower distribution is good. The percentage of home improvement loans made to low-income borrowers in the MSA exceeds the percentage of low-income families in the MSA. The bank originated 22% of its loans to low-income borrowers compared to 18% of low-income families. The bank's market share to low-income borrowers is near to the bank's overall market share. This is good performance when considering that there are fewer opportunities available to low-income individuals for home improvement loans based on the affordability for a low-income person to purchase a home in the MSA, as discussed above. The percentage of home improvement loans made to moderate-income borrowers in the MSA is below the percentage of moderate-income families in the MSA. FNBB's market share to moderate-income borrowers also is below its overall market share. This is adequate performance.

Home refinance borrower distribution is excellent. The percentage of refinance loans made to low-income borrowers in the MSA is below the percentage of low-income families in the MSA. However, FNBB's market share to low-income borrowers is equal to its overall market share. This is good performance when considering that there are less opportunities available to low-income individuals for home refinance loans based on the affordability for a low-income person to purchase a home in the AA,

as discussed above. The percentage of refinance loans made to moderate-income borrowers in the MSA exceeds the percentage of moderate-income families in the AA. FNBB's market share to moderate-income borrowers is near to its overall market share. This performance is excellent.

Small Loans to Businesses

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

The borrower distribution of small loans to businesses is excellent, especially when considering the strong competition for these loans from very large regional banks and non-bank financial institutions.

Small loans to small businesses (businesses with revenues of \$1 million or less) represents 97% of all small loans to businesses originated by FFNB compared to 89% of the businesses within the MSA defined as such. The bank's lending to small businesses substantially exceeds the percentage of small businesses in the AA. The market share of 2.24% for small loans made to small businesses substantially exceeds FFNB's overall market share of 0.85%. The distribution by size of loan shows that a substantial majority of the loan originations are for \$100,000 or less and substantially meets the percentage of small businesses in the AA. This is another indication that business lending is primarily to small businesses.

Community Development Lending

Community development lending had a positive impact on the Lending Test and the originated loans were responsive to the needs of the AA.

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.

We determined through our community contacts and our internal research that limited opportunities for community development lending exist within the AA. Competition for these loans is very strong from both large regional financial institutions and other community banks operating in the area.

We note the following CD loans for the evaluation period:

- One loan for \$343,000 was for the construction of a low- and moderate-income (LMI) elderly housing project in the AA. The bank participated with another financial institution to complete this housing complex.
- A second similar project for elderly LMI individuals was completed. Again, the bank participated with another financial institution. The loan for this second project was for \$459,000.
- A third loan to a limited partnership formed by a local county housing corporation in the amount of \$412,000 was a bridge loan for the revitalization of an abandoned school site for the purpose of building housing for low-income elderly individuals in the AA.

Product Innovation and Flexibility

Product innovation and flexibility had a neutral impact on the Lending Test conclusion. The bank offers standard loan products including first-time homebuyer's programs with reduced fees, and down payment and/or closing cost assistance for LMI individuals.

The bank also operates a loan fund for small businesses for financing “start-up” costs and/or business expansion. These loans are offered at favorable fixed rates. Data on the volume of loans was not available.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on a limited-scope review, the bank’s performance under the lending test in the non-MSA of Montour County is weaker than the bank’s overall "outstanding" performance under the lending test. Montour County is weaker than the bank’s overall performance due to their limited presence and heavy competition in the non-MSA. This performance had no impact on the overall rating in the Lending Test. Refer to Tables 1 through 13 in appendix C for the facts and data that support these conclusions.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank’s performance under the investment test is rated “High Satisfactory”. Based on full-scope reviews, the bank’s performance in the SWH 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.

Investments in the AA are good, considering the limited opportunities in the AA. During the evaluation period, FNBB made one new investment totaling \$635,000 in their AA. We determined through our community contacts and our internal research that there are limited opportunities for qualified investments and very strong competition exists for those few opportunities. This new investment addressed the identified need of affordable housing.

The new investment was accomplished through the formation of a limited partnership with another financial institution and a county housing corporation to construct new housing units for low-income elderly individuals. FNBB received tax credits for this limited partnership investment.

Also, five qualified grants and donations totaling \$2,000 were made in this AA. These grants and donations made during the evaluation period were to local non-profit organizations for various CD initiatives throughout the AA.

Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank’s performance under the investment test in the non-MSA of Montour County is weaker than the bank’s overall performance. Refer to Table 14 in appendix C for the facts and data that support these conclusions. Again the bank’s limited presence and heavy competition in the County are the reasons for their weaker performance. This had no impact on the overall rating for the Investment Test.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated "Outstanding". Based on full-scope reviews, the bank's performance in the SWH 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.

FNBB's delivery systems are readily accessible to geographies and individuals of different income levels within this AA based upon population demographics and locations of the bank's branches and ATMs. In the SWH MSA, FNBB's office distribution in moderate-income geographies significantly exceeds the distribution of the population living in those geographies. Twenty-five percent of the branch offices are in moderate-income geographies, compared to 13.9% of the population. There are no low-income geographies in this AA.

There have been no branch closings. FNBB opened one new branch in the SWH MSA during this evaluation period, in a middle-income geography, for a total of eight offices in this MSA.

Banking hours and services provided Monday through Friday are supplemented by Saturday hours at the majority of banking facilities located in the AA and including one of the branches in a moderate-income geography. One office, located in a supermarket, also offers Sunday hours. The bank's traditional line of products and services are offered at all branches, including trust and financial services.

FNBB offers a variety of checking account products. One of the products is a no minimum balance, no monthly service charge checking account tailored for senior citizens on fixed incomes. The bank also provides these depositors with free checks. The bank's basic personal checking account offers no monthly services charges, normally \$4.00 per month, with a minimum monthly balance of \$300 or more. Additionally, the bank offers a no minimum balance, no monthly service charge checking account product for non-profit organizations and charitable groups.

The bank's ATM network offers an alternative delivery system for delivering retail banking services. In addition to the eight ATMs located at all of the branch offices, the bank maintains an additional three ATMs at offsite locations. While there are no low-income geographies in the AA, two of the bank's ATMs are located in a moderate-income geography. In the SWH MSA, FNBB's ATM distribution in moderate-income geographies also significantly exceeds the distribution of the population living in those geographies.

FNBB introduced its new Internet banking system during the evaluation period and continued its twenty-four hour telephone banking system. Since the bank could not provide specific information on how low- and moderate-income individuals and geographies are impacted by these services, significant weight was not placed on these two alternative delivery systems when drawing conclusions for the full scope AA under the Service Test.

Community Development Services

FNBB's performance in providing CD services to its AA is good, despite the limited opportunities in the AA and the high level of competition from other financial institutions. The bank provides a relatively high level of CD services and its CD services are responsive to the needs in the AA. Bank employees and officers were engaged in seven organizations or programs providing technical and financial assistance that benefit low- and moderate-income individuals and economic development.

During the evaluation period, FNBB invested in an LMI elderly housing project in the MSA. (See also the **Investment Test**.) FNBB participated in this project along with another local financial institution and a county housing corporation. Three employees of the bank provided their financial expertise to this project for a period in excess of one year.

FNBB participates in a county housing program that educates first time homebuyers regarding home ownership. A bank employee has presented information on the mortgage application process, cost of home ownership, credit reports, etc. This program assists LMI homebuyers with closing costs and down payment assistance once they have successfully completed the educational program.

Employees or directors participated in the following as well:

- An officer serves as the treasurer and is a board member of the local industrial development authority, active in trying to bring new businesses and new industries to the Berwick area.
- Another officer serves on the Board of Directors of a non-profit group that educates entrepreneurs on how to start small businesses in the area.
- Officers also serve on a county housing authority board, which oversees the county's low-income housing projects, and on a county redevelopment authority board, which oversees the revitalization efforts of the downtown areas.
- Finally, one officer is involved in a chamber of commerce as a board member. The chamber is currently working to attract new small businesses to the area.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the non-MSA of Montour County is weaker than the bank's overall "outstanding" performance under the Service Test. Refer to Table 15 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 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”).

Time Period Reviewed	Lending Test (excludes CD Loans): 01/01/99 to 12/31/01 Investment and Service Tests and CD Loans: 02/01/99 to 02/25/02	
Financial Institution	Products Reviewed	
First National Bank of Berwick (FNBB) Berwick, PA	Home Mortgages, Small Loans to Businesses and CD loans.	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None	N/A	N/A
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Scranton--Wilkes-Barre-- Hazleton, PA MSA #7560	Full-Scope	N/A
Montour County (Non-MSA)	Limited-Scope	

Appendix B: Market Profiles for Full-Scope Areas

Table of Contents

Market Profiles for Areas Receiving Full-Scope Reviews

<u>Scranton--Wilkes-Barre--Hazleton, PA MSA</u>	B-2
---	-----

Scranton--Wilkes-Barre--Hazleton, PA MSA

Demographic Information for Full-Scope Area: Scranton--Wilkes-Barre--Hazleton, PA MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	32	0.00	18.75	71.88	9.38	0.00
Population by Geography	106,454	0.00	13.90	78.93	7.16	0.00
Owner-Occupied Housing by Geography	29,144	0.00	13.42	78.57	8.01	0.00
Businesses by Geography	3,980	0.00	12.44	76.76	10.80	0.00
Farms by Geography	355	0.00	5.07	89.58	5.35	0.00
Family Distribution by Income Level	28,763	17.83	21.68	26.41	34.08	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	11,365	0.00	20.12	76.41	3.47	0.00
Median Family Income HUD Adjusted Median Family Income for 2001 Households Below the Poverty Level	= \$30,676 ** = \$43,300 ** = 11.75% **	Median Housing Value Unemployment Rate		= \$54,911 ** = 5.4 % ***		

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

(**) Source: 1990 U.S. Census, and 2001 HUD updated MFI.

(***) Source: PA Department of Labor & Industry, November 2001, seasonally adjusted.

FNBB's AA includes portions of the Scranton--Wilkes-Barre--Hazleton, PA MSA, which includes Columbia, Lackawanna, Luzerne, and Wyoming counties in the northeastern region of Pennsylvania. FNBB operates in this MSA in 32 of the 189 census tracts. Within this MSA, FNBB is ranked 12th for its market share of deposits and has 3.18% of the deposits based on the June 30, 2001 FDIC/OTS Summary of Deposits Market Share Report. FNBB operates eight full service branches and three remote ATMs in this MSA. All of the branches also have ATMs.

Banking competition is very strong for both loans and deposits in the MSA. Competition exists from national institutions, large regional institutions, community banks and credit unions. Major banking competitors in the MSA include:

- PNC Bank, N.A., ranked 1st in deposit share (23.10%) with 43 offices;
- First Union National Bank, ranked 2nd in market share of deposits (9.08%) with 19 offices;
- M&T Bank, ranked 3rd in deposit share (8.24%) with 24 offices; and
- Mellon Bank, N.A., ranked 4th in market share of deposits (5.73%) with 13 offices.

FNBB offers a traditional line of banking products for loans and deposits. The economy in the area is stable. Major employers in the MSA include the Pennsylvania State System of Higher Education, Wise Foods, Inc., Pennsylvania State Government, the U.S. Government, Star-Kist Foods, Inc., and numerous local governments, hospitals, and school districts.

A community contact was conducted with a community group and information was reviewed from two other community groups. The contacts identified the need for small loans for small businesses and affordable housing financing (for both purchases and home improvements) as the primary needs in the area, and thought that the local financial institutions were meeting these needs.

Appendix C: Tables of Performance Data

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** - This table is not applicable and not included due to the lack of bank loans.
- 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** - This table is not applicable and not included.
- 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** - This table is not applicable and not included.
- Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - This table is not applicable and not included.
- 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: 1000000568 **FIRST NATIONAL BANK OF BERWICK**

Table 1. Lending Volume

LENDING VOLUME		Geography: FNB BERWICK						Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001				
MA/Assessment Area (2001):	% of Rated Area Loans (#) in MA/AA	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans **		Total Reported Loans		% of Rated Area Deposits in MA/AA ***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:												
MSA-Scr/W-B/Haz	98.99	474	22,931	111	9,689	1	150	3	1,214	589	33,984	97.07
Limited Review:												
Non-MSA-Montour Co	1.01	6	230	0	0	0	0	0	0	6	230	2.93

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

** The evaluation period for Community Development Loans is From February 01, 1999 to February 25, 2002.

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

NATIONAL BANK OF BERWICK

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE 2001		Geography: FNB BERWICK						Evaluation Period: JANUARY 1, 1999 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 ll	Low	Mod	Mid	Upp
Full Review:															
MSA-Scr/W-B/Haz	245	99.59	0.00	0.00	13.42	19.59	78.57	77.14	8.01	3.27	5.98	0.00	6.76	6.40	1.69
Limited Review:															
Non-MSA-Montour Co	1	0.41	0.00	0.00	0.00	0.00	48.76	100.00	51.24	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2000 Peer Mortgage Data: Northeast Region.

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

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

BANK OF BERWICK

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT 31, 2001		Geography: FNB BERWICK						Evaluation Period: JANUARY 1, 1999 TO DECEMBER							
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
Full Review:															
MSA-Scr/W-B/Haz	157	97.52	0.00	0.00	13.42	14.01	78.57	82.17	8.01	3.82	6.83	0.00	5.13	7.18	5.56
Limited Review:															
Non-MSA-Montour Co	4	2.48	0.00	0.00	0.00	0.00	48.76	50.00	51.24	50.00	0.79	0.00	0.00	1.69	0.00

* Based on 2000 Peer Mortgage Data: Northeast Region.

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

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

BANK OF BERWICK

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE DECEMBER 31, 2001		Geography: FNB BERWICK								Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001					
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% Owner Occ***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
MSA-Scr/W-B/Haz	72	98.63	0.00	0.00	13.42	26.39	78.57	69.44	8.01	4.17	2.36	0.00	2.72	2.35	1.45
Limited Review:															
Non-MSA-Montour Co	1	1.37	0.00	0.00	0.00	0.00	48.76	100.00	51.24	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2000 Peer Mortgage Data: Northeast Region.

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

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

BANK OF BERWICK

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES DECEMBER 31, 2001		Geography: FNB BERWICK								Evaluation Period: JANUARY 1, 1999 TO					
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
MSA-Scr/W-B/Haz	111	100.00	0.00	0.00	12.44	15.32	76.76	82.88	10.80	1.80	0.85	0.00	0.80	1.07	0.19
Limited Review:															
Non-MSA-Montour Co	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2000 Peer Small Business Data: US&PR.

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

*** Source Data - Dun and Bradstreet (2001).

BANK OF BERWICK

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE 2001		Geography: FNB BERWICK						Evaluation Period: JANUARY 1, 1999 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
Full Review:															
MSA-Scr/W-B/Haz	245	99.59	17.83	9.02	21.68	22.13	26.41	24.59	34.08	44.26	6.53	5.36	5.20	6.58	7.57
Limited Review:															
Non-MSA-Montour Co	1	0.41	12.81	100.00	17.40	0.00	23.01	0.00	46.79	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2000 Peer Mortgage Data: Northeast Region.

** As a percentage of loans with borrower income information available. No information was available for 0.41% 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.

BANK OF BERWICK

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT 31, 2001		Geography: FNB BERWICK						Evaluation Period: JANUARY 1, 1999 TO DECEMBER							
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
Full Review:															
MSA-Scr/W-B/Haz	157	97.52	17.83	22.08	21.68	13.64	26.41	26.62	34.08	37.66	6.95	6.45	3.65	8.84	7.50
Limited Review:															
Non-MSA-Montour Co	4	2.48	12.81	0.00	17.40	25.00	23.01	0.00	46.79	75.00	0.80	0.00	0.00	0.00	1.69

* Based on 2000 Peer Mortgage Data: Northeast Region.

** As a percentage of loans with borrower income information available. No information was available for 1.86% 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.

BANK OF BERWICK

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE DECEMBER 31, 2001		Geography: FNB BERWICK								Evaluation Period: JANUARY 1, 1999 TO					
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families**	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans****	Over all	Low	Mod	Mid	Upp
Full Review:															
MSA-Scr/W-B/Haz	72	98.63	17.83	5.80	21.68	24.64	26.41	33.33	34.08	36.23	2.38	2.38	2.28	3.05	1.91
Limited Review:															
Non-MSA-Montour Co	1	1.37	12.81	100.00	17.40	0.00	23.01	0.00	46.79	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2000 Peer Mortgage Data: Northeast Region.

** As a percentage of loans with borrower income information available. No information was available for 4.11% 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.

BANK OF BERWICK

Table11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES DECEMBER 31, 2001		Geography: FNB BERWICK			Evaluation Period: JANUARY 1, 1999 TO				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
MSA-Scr/W-B/Haz	111	100.00	88.84	97.30	87.39	4.50	8.11	0.85	2.24
Limited Review:									
Non-MSA-Montour Co	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2000 Peer Small Business Data: US&PR.

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

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2001).

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

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: FNB BERWICK				Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
MSA-Scr/W-B/Haz	0	0	6	637	6	637	100.00	0	0
Limited Review:									
Non-MSA-Montour Co	0	0	0	0	0	0	0.00	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.

BANK OF BERWICK

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS								Geography: FNB BERWICK				Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001					
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
Full Review:																	
MSA-Scr/W-B/Haz	97.07	8	89	0.00	25.00	62.50	12.50	1	0	0	0	1	0	0.00	13.90	78.93	7.16
Limited Review:																	
Non-MSA-Montour Co	2.93	1	11	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	0.00	49.29	50.71