PUBLIC DISCLOSURE

Date of Evaluation: **JULY 8, 2019**

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Name of Depository Institution: **FIRST CITIZENS COMMUNITY BANK**

Institution's Identification Number: **978118**

Address: **15 SOUTH MAIN STREET**

MANSFIELD, PENNSYLVANIA

FEDERAL RESERVE BANK OF PHILADELPHIA
TEN INDEPENDENCE MALL
PHILADELPHIA, PENNSYLVANIA 19106

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INSTITUTION'S CRA RATING

OVERALL RATING: SATISFACTORY

PERFORMANCE TEST RATING TABLE

The following table indicates the Community Reinvestment Act (CRA) performance level of First Citizens Community Bank ("First Citizens") with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	First Citizens Community Bank		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		X
Low Satisfactory			
Needs to Improve		X	
Substantial Noncompliance			

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

SUMMARY OF MAJOR FACTORS SUPPORTING RATING

Major factors contributing to this rating include:

- A high percentage of the bank's loans are made in its assessment area;
- The distribution of borrowers reflects excellent penetration among retail customers of different income levels and business customers of different sizes;
- The geographic distribution of loans reflects good penetration throughout the assessment area;
- The bank has made an adequate level of community development loans;
- The bank has made a poor level of community development investments and grants; and
- The bank provides a relatively high level of community development services.

INSTITUTION

DESCRIPTION OF INSTITUTION

First Citizens is a state-chartered full-service commercial bank headquartered in Mansfield, Tioga County, Pennsylvania. During the timeframe covered by the evaluation, the institution offered a variety of commercial and consumer banking services through 27 branch offices located in Berks, Bradford, Centre, Clinton, Potter, Tioga, Lancaster, Lebanon and Schuylkill counties in the Northern Tier, the Central and South Central regions of Pennsylvania, and in Allegany County in New York. The bank is a wholly-owned subsidiary of Citizens Financial Services, Inc., a bank holding company that, as of December 31, 2018, held $1.4 billion in assets, and was also located in Mansfield, Pennsylvania.

On December 9, 2017, First Citizens acquired one bank branch office from S&T Bank of Indiana, Pennsylvania, in State College, PA, (Centre County), where previously the bank did not have a physical presence. The State College, PA MSA assessment area is comprised of the entirety of Centre County, and was added as one of the institution's CRA assessment areas in 2018. Due to the short duration of operations in this assessment area, performance in the State College, PA MSA assessment area was not considered in the evaluation, as discussed in the "Description of Institution's Operations" section. However, the branch location in the assessment area is included in the table below.

The table below details the locations of First Citizens' branch locations as of the CRA evaluation date.

Assessment Area	Number of Branches
PA Non-MSA	16
NY Non-MSA	1
Lancaster, PA MSA	2
Lebanon, PA MSA	7
State College, PA MSA	1
Total Branches	**27**

In addition to the branches noted above, First Citizens operates a loan production office in Winfield, Union County, PA. Union County is not within the bank's assessment areas, but borders Centre County to the east.

According to the Consolidated Reports of Condition and Income (Call Report) as of December 31, 2018, First Citizens reported $1.4 billion in assets, of which nearly $1.1 billion, or 76%, were loans.

On a dollar volume basis, residential mortgage loans (comprised of closed-end and open-end loans secured by residential properties, and multifamily loans) represent the largest segment of the bank's loan portfolio at $335 million, or 31%. Farm loans (which include loans secured by farmland, loans to finance agricultural production, and other loans to farmers) represent the second largest segment of the bank's loan portfolio at $332 million, or 31%. Commercial loans, which include commercial mortgages and commercial and industrial loans, represent the third largest segment of the bank's loan portfolio at $273 million, or 25%, of the bank's total loan portfolio.

The composition of the bank's loan portfolio as of December 31, 2018 is presented in the table below.

Loans as of 12/31/2018	$000	%
Commercial Mortgages	$209,657	19.4
Commercial and Industrial Loans	$63,303	5.8
Secured by Farmland	$292,730	27.0
Secured by Residential Properties (Closed-end)	$312,964	28.9
Secured by Residential Properties (Open-end)	$21,891	2.0
Construction & Land Development	$33,914	3.1
Consumer Loans	$10,180	0.9
Loans to finance agricultural production & other loans to farmers	$39,069	3.6
States and Political Subdivisions	$97,024	9.0
Other Loans and Leases (excludes leases)	$2,278	0.2
Total	**$1,083,010**	**100.0%**

Source: December 31, 2018 Consolidated Reports of Condition and Income, Schedule RC-C.

Commercial Loans

Schedule RC-C Part II (Loans to Small Farms and Small Businesses) of the Call Report as of December 31, 2018 indicates that 51% of the bank's commercial loans outstanding were designated as small business loans. At the previous CRA evaluation, First Citizens' outstanding commercial loan volume was $225 million, of which $130 million (58%) was designated as small business loans. For purposes of this evaluation, a small business loan is defined as a commercial loan with an origination amount of $1 million or less as detailed in the following table.

First Citizens Community Bank Commercial Loan Portfolio		
	Amount Outstanding as of 12/31/2018 ($000)	**%**
Loans with original amounts of $100,000 or less	$21,517	7.9
Loans with original amounts of more than $100,000 through $250,000	$35,582	13.0
Loans with original amounts of more than $250,000 through $1,000,000	$80,942	29.7
Total Small Business Loans	**$138,041**	**50.6**
Loans with original amounts of more than $1,000,000	$134,919	49.4
Total Commercial Loans	**$272,960**	**100.0%**

Farm Loans

Schedule RC-C Part II (Loans to Small Farms and Small Businesses) of the Call Report as of December 31, 2018 indicates that 35% of the bank's farm loans outstanding were designated as small farm loans. A small farm loan is defined as a loan with an origination amount of $500 thousand or less which is secured by farmland, used to finance agricultural production, or other loans to farmers.

First Citizens Community Bank Farm Loans		
	Amount Outstanding As of 12/31/2018 ($000)	%
Loans with original amounts of $100,000 or less	$21,102	6.3
Loans with original amounts of more than $100,000 through $250,000	$32,290	9.7
Loans with original amounts of more than $250,000 through $500,000	$62,566	18.9
Total Small Farm Loans	**$115,958**	**34.9**
Loans with original amounts of more than $500,000	**$215,841**	**65.1**
Total Farm Loans	**$331,799**	**100.0**

The bank's asset size and financial condition indicate that it has the ability to effectively meet the credit needs of its assessment areas. There are no legal or other impediments that would hamper the bank's ability to meet community credit needs.

First Citizens was rated satisfactory at its previous CRA evaluation performed by the Federal Reserve Bank of Philadelphia, dated October 24, 2016. The previous examination was performed using the Interagency Large Institution CRA Evaluation Procedures adopted by the Board of Governors of the Federal Reserve System (Board of Governors).

DESCRIPTION OF ASSESSMENT AREAS

For purposes of the CRA, First Citizens has designated five assessment areas, as follows:

(1) The Pennsylvania "Northern Tier" assessment area (PA Non-MSA assessment area), consisting of Bradford, Clinton, Potter and Tioga Counties, located in nonmetropolitan areas of Pennsylvania;

(2) The Lebanon County assessment area (Lebanon, PA MSA assessment area), consisting of Lebanon County, which comprises the entire Lebanon, PA MSA, plus three census tracts in Berks County (portion of the Reading, PA MSA, which is synonymous with Berks County), and seven census tracts in Schuylkill County (portion of the Pottsville, PA Metropolitan Statistical Area);

(3) The Lancaster County assessment area (Lancaster, PA MSA assessment area), which comprises the entire Lancaster, PA MSA;

(4) The Allegany County, New York assessment area (NY Non-MSA assessment area), located in a nonmetropolitan area of New York; and

(5) The Centre County assessment area, (State College, PA MSA assessment area), which comprises the entire State College, PA MSA.

The bank's assessment areas were determined to comply with the requirements of the CRA, and do not arbitrarily exclude low- or moderate-income census tracts.

It is noted that First Citizens' assessment area has changed from the previous CRA evaluation, when the bank only had two assessments areas. At the previous examination, the two assessment areas were the Non-PA MSA assessment area and the NY Non-MSA assessment area.

SCOPE OF EXAMINATION

The current evaluation of the bank's CRA performance covers the period from October 25, 2016 through July 8, 2019, in accordance with the Interagency Large Institution CRA Evaluation Procedures adopted by the Board of Governors.

Loan products evaluated include:

- Home purchase, home improvement, and multifamily loans, and the refinancing of such loans, collectively titled Home Mortgage Disclosure Act (HMDA) loans, reported by the bank for calendar years 2016 and 2017;
- Small business loans reported by the bank, pursuant to the CRA for calendar years 2016 and 2017;
- Small farm loans reported by the bank, pursuant to the CRA for calendar years 2016 and 2017; and
- Other loans that qualified as community development loans during the entire evaluation period from October 25, 2016 through July 8, 2019.

Because the bank originated more HMDA loans, by both number and dollar volume, than small business and small farm loans across all of its assessment areas, HMDA loans were given the most weight in determining First Citizens' overall rating. Small farm loans were weighted the second highest, followed by small business loans, as the result of volume.

First Citizens' HMDA, small business loans, and small farm loans were compared to the aggregate of all lenders in the bank's assessment areas that report home-mortgage loans pursuant to HMDA, and small business and small farm loans pursuant to CRA. These data are reported annually.

Examiners also analyzed the demographic characteristics of each assessment area as one way to measure loan demand. The demographic information should not be construed as defining an expected level of lending for a particular loan product, group of borrowers, or geography. Rather, the demographic data provides a business context for the bank's performance in the assessment areas where it operates. Further, bank management provided information regarding the bank's lending activities, credit demand, and competition.

For purposes of evaluating the geographic distribution of loans by census tract type, census tracts were classified on the basis of 2010 U.S. Census data for loans made in 2016, and on the basis of American Community Survey (ACS) data for loans originated in 2017.[1] The distribution of HMDA loans to borrowers of different income levels was based upon annually-adjusted median family income data, made available by the Federal Financial Institutions Examination Council (FFIEC).

[1] According to FFIEC policy, 2015 ACS data is used to analyze 2017 lending data, while previous years use 2010 Census data for comparison.

All other demographic indices and statistics presented throughout this evaluation are based on 2010 Census data in 2016, and 2015 ACS data in 2017, unless otherwise noted.

For small business and small farm loans, examiners used Dun & Bradstreet data for comparison for the applicable years. Dun & Bradstreet collects and publishes data detailing the revenues and locations of local businesses and farms.

To supplement economic, demographic and performance data, and to gain a better perspective on community credit needs, interviews were conducted with six community representatives during the course of the evaluation. Discussions were held with two community agencies focused on general community well-being, one focused on affordable housing, and three focused on economic development. More information about the contacts and the community development needs identified by the contacts is available in the discussions of each assessment area.

For purposes of assessing the bank's overall CRA performance, greater weight was given to performance in the bank's Pennsylvania assessment areas, particularly the PA Non-MSA and Lebanon PA MSA assessment areas. A substantial majority of the bank's lending and operations were in these two assessment areas and, as such, full-scope reviews of the bank's performance in both assessment areas were conducted. These areas also account for approximately 90% of the bank's overall deposits.

The Lancaster PA MSA assessment area received a limited-scope review, where performance was compared with that in the full-scope areas to determine if it exceeds, is consistent with, or is below the performance in the full-scope areas. First Citizens operated two branches in the Lancaster, PA MSA assessment area.

In reaching statewide conclusions in the Commonwealth of Pennsylvania, greatest weight was given to the bank's performance in the PA Non-MSA assessment area, followed by performance in the Lebanon, PA MSA assessment area, and then the limited-scope Lancaster, PA MSA assessment area.

Finally, the least amount of weight was given to the bank's NY Non-MSA assessment area. This assessment area is the only one located in the state of New York, and First Citizens operates only one branch in this area. Further, the bank has a relatively small amount of lending in this assessment area compared to the other three assessment areas. More specifically, lending in the NY Non-MSA assessment area comprises 3% by number of loans, and less than 2% by dollar volume. Similarly, the NY Non-MSA assessment area accounts for only 3% of the institution's deposits.

As mentioned previously, the State College, PA MSA assessment area was added as an assessment area in 2018. Due to the short duration of time, examiners did not evaluate performance in the assessment area. In future CRA evaluations, a full-scope analysis of the bank's performance in the State College, PA MSA will be included.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Performance under the lending test is rated high satisfactory.

The lending test evaluates an institution's lending activities based on the following characteristics:

- Lending activity in the assessment area;
- Concentration of lending within assessment areas, including HMDA, small business, and small farm lending;
- Borrower distribution of loans, including the distribution of loans to low- and moderate-income borrowers, and businesses and farms of different sizes, including small businesses and farms;
- Geographic distribution of loans, including loans originated in low- and moderate-income census tracts;
- Responsiveness to the credit needs of low- income individuals and geographies, and very small businesses and farms;
- Innovativeness and flexibility of lending practices; and
- Community development lending activities.

Lending Activity

Overall, First Citizens' lending levels reflect good responsiveness to the credit needs of its assessment areas in Pennsylvania and New York. As of December 31, 2018, First Citizens reported total loans of $1.1 billion, or 76% of bank assets, compared to the previous evaluation conducted as of October 24, 2016, when loans totaled $710 million, or 60% of bank assets, using June 30, 2016 data. HMDA loans represent the largest overall volume in the bank's loan portfolio by number and dollar amount, followed by small farm loans, and small business loans.

The table below depicts the bank's HMDA and CRA lending activity during the evaluation period.

Summary of Lending Activity				
Loan Type	**#**	**%**	**$(000s)**	**%**
Total Consumer Related	**0**	**0.0**	**0**	**0.0**
Home Improvement	307	11.8	18,867	5.6
Home Purchase	563	21.6	75,758	22.5
Multifamily Housing	27	1.0	17,252	5.1
Refinancing	425	16.3	55,975	16.7
Total HMDA Related	**1322**	**50.7**	**167,852**	**49.9**
Small Business	547	21.0	74,497	22.1
Total Small Business related	**547**	**21.0**	**74,497**	**22.1**
Small Farm	741	28.3	94,221	28.0
Total Small Farm related	**741**	**28,3**	**94,221**	**28.0**
Total Loans	**2,610**	**100.0%**	**336,570**	**100.0%**

Assessment Area Concentration

An analysis was performed to determine the volume of loans extended inside and outside of the bank's assessment areas. The analysis consisted of an evaluation of First Citizens' HMDA loans, small business loans, and small farm loans. The assessment area concentration analysis indicated that a high percentage of loans were made in the bank's assessment areas.

More specifically, during the evaluation period, First Citizens made 86% of HMDA loans by number, and 81% by dollar amount in the bank's assessment areas.

With respect to small business loans, 88% of the number of small business loans and 88% of the aggregate dollar amount of loans were extended in the bank's assessment areas.

Finally, a total of 71% of small farm loans by number, and 67% by dollar amount were extended in the bank's assessment areas.

Overall, 82% of loans by number and 79% of loans by dollar volume were made within the four assessment areas included in this evaluation.

The table below shows the distribution of lending inside and outside the bank's assessment areas.

First Citizens Community Bank								
Loan Types			**Inside**			**Outside**		
	#	**%**	**$(000s)**	**%**	**#**	**%**	**$(000s)**	**%**
Home Improvement	279	90.9	16,653	88.3	28	9.1	2,214	11.7
Home Purchase - Conventional	451	80.1	60,755	80.2	112	19.9	15,003	19.8
Multi-Family Housing	19	70.4	10,561	61.2	8	29.6	6,691	38.8
Refinancing	386	90.8	48,192	86.1	39	9.2	7,783	13.9
Total HMDA related	**1,135**	**85.9**	**$136,161**	**81.1**	**187**	**14.1**	**$31,691**	**18.9**
Small Business	482	88.1	65,481	87.9	65	11.9	9,016	12.1
Total Small Business related	**482**	**88.1%**	**$65,481**	**87.9**	**65**	**11.9**	**$9,016**	**12.1**
Small Farm	524	70.7	63,141	67.0	217	29.3	31,080	33.0
Total Small Farms related	**524**	**70.7**	**$63,141**	**67.0**	**217**	**29.3**	**$31,080**	**33.0**
Total Loans	**2,141**	**82.0**	**$264,783**	**78.7**	**469**	**18.0**	**$71,787**	**21.3**

Borrower and Geographic Distribution of Lending

Home-Mortgage Lending

Overall, the bank's distribution of loans among borrowers of different income levels, including low- and moderate-income borrowers, is good, due to excellent performance in Pennsylvania's PA Non-MSA assessment area, good performance in the Lebanon, PA MSA assessment area, and adequate penetration in the NY Non-MSA assessment area.

The geographic distribution of loans reflects good penetration throughout the bank's assessment areas, due to excellent performance in Pennsylvania's PA Non-MSA assessment area, and good performances in the Lebanon, PA MSA assessment area and NY Non-MSA assessment area.

Distributions in the Lancaster, PA MSA assessment area were below levels of the two full-scope assessment areas in Pennsylvania.

Small Business Lending

The borrower distribution of small business loans reflects good penetration in the PA Non-MSA and Lebanon, PA MSA assessment areas.

First Citizens geographic distribution of small business loans reflects good penetration throughout the bank's assessment areas as a result of excellent performance in Pennsylvania's PA Non-MSA assessment area and adequate performance in the Lebanon, PA MSA assessment area.

Small business lending was not analyzed in the NY Non-MSA assessment area due to the very low volume of lending, which would not have produced meaningful performance results.

As indicated earlier, the distribution of lending in the Lancaster, PA MSA assessment area was below that in full-scope Pennsylvania's assessment areas.

Small Farm Lending

First Citizens' borrower distribution of small farm loans was excellent, as a result of excellent performance in the PA Non-MSA and Lebanon, PA MSA assessment areas.

Geographic distribution of small farm loans was good, as a result of excellent performance in Pennsylvania.

Small farm lending was not analyzed in the NY Non-MSA assessment area due to the very low volume of lending, which would not have produced meaningful performance results.

Again, distributions in the Lancaster, PA MSA assessment area were below those in Pennsylvania's full-scope assessment areas.

<u>Responsiveness to Credit Needs</u>

First Citizens exhibits a good record of serving the credit needs of low-income individuals and areas, and very small businesses and small farms. Affordable housing was a credit need identified by community contacts in all of the bank's assessment areas, and the bank's HMDA lending record shows that home-mortgage loans are being originated throughout the assessment areas and include loans made to low- and moderate-income borrowers. Additionally, First Citizens addresses economic development needs through participation in a community fund consortium that provides financing for community development projects in the Lebanon, PA MSA and Lancaster, PA MSA assessment areas, and through partnership with Mansfield University, the borough of Mansfield, and the Tioga County Enterprise Zone. Finally, as described below, the bank offers a number of flexible loan programs meant to assist in reaching low- and moderate-income borrowers and small businesses and small farms.

Innovative and/or Flexible Lending Practices

In an effort to address the credit needs of low- and moderate-income borrowers, First Citizens makes use of several innovative and flexible lending programs in servicing credit needs in its assessment areas. The bank participated in a variety of programs to meet the credit needs of low- and moderate-income individuals, small businesses, and small farms. Throughout the evaluation period, the bank's lending under flexible lending programs totaled over $14 million, as summarized below, and detailed in the discussions for each assessment area.

Often, the home mortgage credit needs of low- and moderate-income borrowers can be more effectively addressed by alternative mortgage products, which have more flexible credit terms than traditional home financing. Throughout its assessment areas, First Citizens offers mortgage products through the Federal Housing Administration's (FHA) loan program, the U.S. Department of Veterans Affairs' (VA) home loan program, the U.S. Department of Agriculture's (USDA) Rural Development Single-Family Housing guaranteed loan program, and Freddie Mac's Home Possible loan program.

In total, during the evaluation period, First Citizens made four FHA loans totaling $681 thousand, four VA loans totaling $701 thousand, five USDA loans totaling $636 thousand, and nineteen Home Possible loans totaling nearly $2.8 million. These loans are discussed in more detail by assessment area throughout this Performance Evaluation.[2]

Similarly, to address the needs of small businesses, the bank is a preferred SBA Express lender, offering loans under the SBA's loan program. First Citizens is also a member of the Federal Home Loan Bank of Pittsburgh (FHLB), and offers loans through its Banking on Business (BOB) loan program. Such loans are structured to assist small businesses that lack sufficient equity or cash flow to meet traditional small business underwriting standards. Finally, First Citizens offers farm loans through the USDA's Farm Service Agency (FSA) guaranteed farm loan program. This program helps family farmers to buy farmland or finance agricultural production.

In total, during the evaluation period, First Citizens made nine SBA loans totaling almost $2 million, thirty-eight USDA FSA loans totaling nearly $7.2 million, and four FHLB BOB loans totaling $355 thousand. These loans are discussed in more detail by assessment area throughout this Performance Evaluation.[3]

[2] Totals include loans made in the State College, PA MSA assessment area. Due to its recent addition as an assessment area, loans made in the State College, PA MSA are included in this total, but are not discussed further, as performance in this assessment area was not analyzed in the CRA evaluation. In the State College, PA MSA assessment area, the bank made one FHA loan for $270 thousand and four Home Possible loans for almost $1.3 million.

[3] Totals include loans made in the State College, PA MSA assessment area. Due to its recent addition as an assessment area, loans made in the State College, PA MSA are included in this total, but are not discussed further, as performance in this assessment area was not analyzed in the CRA evaluation. In the State College, PA MSA assessment area, the bank made six USDA FSA loans totaling $843 thousand.

Community Development Lending

First Citizens makes an adequate level of community development loans. The bank reported five community development loans totaling $2.9 million during the evaluation period that benefit its assessment areas. The bank's dollar amount of community development lending has increased quite notably since the previous evaluation period, when First Citizens extended five community development loans totaling $959 thousand. Three of the loans supported economic development (over $2.7 million), while the other two loans provided community services to low- and moderate-income individuals (just under $182 thousand).

By dollar amount of community development loans, the bank's lending was highest in the PA Non-MSA assessment area (66% or $1.9 million), followed by the Lebanon, PA MSA assessment area, and the Lancaster, PA MSA assessment areas, each with 17% of community development dollars ($500 thousand in each assessment area) No community development loans were made in the NY Non-MSA assessment area.

INVESTMENT TEST

Performance under the investment test is rated needs to improve.

The overall level of qualified investments, grants and donations is poor. Qualified investments, grants, and donations total nearly $972 thousand and has decreased since the prior CRA evaluation in 2016, when qualified investments totaled $991 thousand. Despite the institution's significant growth and expansion of assessment areas since shortly before the prior CRA evaluation, the level of qualified investments, grants and donations has not increased commensurate with this growth. The vast majority of investment dollars were made in the PA Non-MSA assessment area (88%). The remaining investment dollars were split between the Lebanon, PA MSA assessment area (6%), the Lancaster, PA MSA assessment area (5%), and the NY Non-MSA assessment area (less than 1%). Of the overall investments, 46% supported affordable housing initiatives, 36% went to organizations that provided community services to low- and moderate individuals and geographies, 17% supported economic development, and 1% supported revitalization and stabilization efforts in the assessment area.

Noteworthy investments include one investment in an affordable housing project, which provides 11 units of affordable housing for low- and moderate-income seniors in the PA Non-MSA assessment area. This investment was made in the prior evaluation period and is still outstanding, and totaled $433 thousand. Seven new investments were purchased since the last evaluation and provide economic development through investment in small farms. These investments, primarily in the PA Non-MSA assessment area, total $106 thousand. By dollar value, $86 thousand (81%) of the new economic development investments were made in Potter County, PA, a designated distressed middle-income area in 2017 due to high unemployment rates. Further, of these investments, $13 thousand (12%) were made in Bradford County, PA, and slightly over $6 thousand (6%) were made in Schuylkill County of the Lebanon, PA MSA assessment area.

In addition to the $539 thousand in investments detailed above, the bank also made 68 investments of approximately $433 thousand in grants and donations to local organizations that provide community development activities. Of the total $433 thousand in donations and grants, $315 thousand (76%) were tax credits that provide community services to students in the PA Non-MSA, Lebanon PA MSA, and Lancaster PA MSA assessment areas. The significant majority of funds provided community services for low- and moderate-income individuals (80%), while 14% supported economic development, 3% provided affordable housing, and just under 3% was for revitalization and stabilization efforts.

First Citizens exhibits poor responsiveness to credit and community development needs of the assessment area. Most of the bank's qualified investments and donations support community services to low- and moderate-income individuals in the assessment area, including those that support education programs. In addition, community contacts interviewed during the course of the evaluation emphasized affordable housing and economic development (workforce development initiatives) as urgent needs within the communities of the bank's assessment area.

First Citizens makes occasional use of innovative and/or complex investments to support community development initiatives when opportunities exist. Investment volume and grants activity overall have not yet returned to pre-expansion levels. One prior qualified investment is still active, and a few new qualified investments were made since the prior evaluation.

The bank's investment test performance is discussed in more detail by assessment area throughout this Performance Evaluation.

SERVICE TEST

Overall, performance under the service test is rated high satisfactory. Performance is rated high satisfactory in assessment areas located in the Commonwealth of Pennsylvania, and low satisfactory in the assessment area located in the State of New York.

Branch delivery systems are accessible to essentially all portions of the bank's assessment areas. As noted previously, First Citizens operates 26 branches in Pennsylvania, and one branch in New York. All branches except for one also include automated teller machines (ATMs). First Citizens' record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income individuals or areas. During the evaluation period, two branches were opened and no branches were closed.[4]

Banking services do not vary in a way that inconveniences its constituents, irrespective of census tracts or income level. More specifically, hours of operation are reasonable, with all but two branches offering extended business hours at least one day a week, and twenty-one of the branch locations offering Saturday hours.

[4]During the evaluation period, one branch was opened in the Lancaster, PA MSA assessment area and is discussed further in the evaluation of that assessment area. The other branch was opened in Centre County, PA, and is not discussed in further detail, since the Centre County assessment area is not being evaluated due to the bank's recent entry into this market.

Additionally, the bank provides alternative delivery systems that include remote deposit capture, night deposit, telephone banking, online banking, and mobile banking, which allow customers to obtain deposit and loan account information, transfer funds, and make loan and other bill payments.

Finally, the bank provides a relatively high level of community development services in its Pennsylvania assessment areas, and adequate level of community development services in its New York assessment area. It is noteworthy that in May 2019, First Citizens was recognized by Freddie Mac with a Recognizing Individuals for Sustained Excellence (RISE) Award for their support of the Home Possible loan program. This honor was bestowed as a result of the bank's work as an education advocate, expanding homeownership to low- and moderate-income borrowers through professional outreach, loan officer training, and the completion of homebuyer education events.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES

First Citizens is in compliance with the substantive provisions of the anti-discrimination laws and regulations. No evidence of discriminatory or other illegal credit practices, inconsistent with helping to meet community credit needs, was identified.

COMMONWEALTH OF PENNSYLVANIA

STATE RATING

Performance Test	Performance Level
Lending	High Satisfactory
Investment	Needs to Improve
Service	High Satisfactory
Overall	Satisfactory

SUMMARY OF MAJOR FACTORS SUPPORTING RATING

Major factors contributing to the rating include the following:

- The distribution of borrowers, given the product lines offered by the bank, reflects excellent penetration among retail customers and farms of different income levels, and good distribution among businesses of different sizes;
- The geographic distribution of loans reflects good penetration throughout the Pennsylvania assessment areas;
- The bank makes use of innovative and/or flexible lending practices;
- The bank made an adequate level of community development loans in Pennsylvania;
- The bank has a poor level of qualified community development investments and grants in the state; and
- The bank provides a relatively high level of community development services.

SCOPE OF EXAMINATION

First Citizens' CRA performance in Pennsylvania was evaluated for the period from October 25, 2016 through July 8, 2019. The lending, investment, and service tests were applied in assessing the bank's performance under the CRA. Under the lending test, loan products evaluated included HMDA loans, small business loans, small farm loans, and other loans that qualified as community development.

As mentioned previously, examiners completed a full-scope review for the PA Non-MSA and the Lebanon, PA MSA assessment areas, as the vast majority of the bank's operations are in these assessment areas, including branches and deposit and lending production.

Examiners conducted a limited-scope review in the Lancaster, PA MSA assessment area. The area was recently added as an assessment area during calendar year 2017, and deposit and loan levels are significantly less than in the PA Non-MSA and Lebanon, PA MSA assessment areas.

Because the State College assessment area was added as an assessment area during calendar year 2018, examiners did not evaluate performance in the assessment area.

DESCRIPTION OF INSTITUTION'S OPERATIONS

In Pennsylvania, the vast majority of the bank's business is conducted in the PA Non-MSA assessment area, and thus, it is given the most weight in determining the overall CRA rating in the Commonwealth. In total, 16 of the bank's 27 branches (59%) are located in this assessment area. Likewise, 66% of the bank's deposits are held in the assessment area. From a loan perspective, 65% of loans by number, and 56% of loans by dollar volume are made within the PA Non-MSA assessment area.

The Lebanon, PA MSA assessment area is given the second highest weight in determining the overall state rating in Pennsylvania. During the evaluation period, First Citizens operated seven branches in the assessment area (26%), and these branches generated 20% of the bank's total deposits. From a loan standpoint, 22% of the bank's loans by number, and 19% by dollar volume, were made in the Lebanon, PA MSA assessment area.

Finally, the Lancaster, PA MSA assessment area was provided the least amount of weight in determining the state rating, and was also evaluated using limited-scope review procedures, as discussed previously. First Citizens operates two branches in the Lancaster, PA MSA assessment area (7%). Lending volumes are much lower in this assessment area than in the other Pennsylvania assessment areas. Approximately 9% of loans by number, and 15% by dollar volume, are made in the Lancaster, PA MSA assessment area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Overall, the lending test was determined to be high satisfactory in Pennsylvania. The lending test was rated high satisfactory in the PA Non-MSA and Lebanon, PA MSA assessment areas, and below the performance of these two assessment areas in the Lancaster, PA MSA assessment area. Primary drivers of the overall lending test rating include lending activity, borrower and geographic distribution of loans, the bank's use of flexible lending practices, and community development lending. It is noted that borrower distribution is weighted more heavily than geographic distribution, given the demographics of the Pennsylvania assessment areas. More detail on lending test components is provided in the discussions of each Pennsylvania assessment area.

INVESTMENT TEST

Overall, the investment test was determined to be needs to improve in Pennsylvania, as it was rated needs to improve in both the PA Non-MSA assessment area and in the Lebanon, PA MSA assessment area. Performance was consistent in the Lancaster, PA MSA assessment area. The investment test rating is driven by the amount of qualified investments and donations, with additional consideration given to the responsiveness and complexity of such investments. More detail on the investment test components is provided in the discussions of each Pennsylvania assessment areas.

SERVICE TEST

Overall, the service test was determined to be high satisfactory in Pennsylvania. The service test was rated high satisfactory in both full-scope assessment areas in the Commonwealth, and was consistent with this performance in the Lancaster, PA MSA assessment area. The service test was influenced by retail service aspects, particularly the accessibility of delivery systems and reasonableness of hours and services in serving the assessment area needs, as well as the level of community development services provided by the bank in the Commonwealth. More detail on the service test components is provided in the discussions of each assessment area.

FULL-SCOPE REVIEW ASSESSMENT AREA- PA NON-MSA ASSESSMENT AREA

DESCRIPTION OF INSTITUTION'S OPERATIONS

Description of Assessment Area

First Citizens' PA Non-MSA assessment area consists of the entirety of the contiguous counties of Bradford, Clinton, Potter and Tioga in the nonmetropolitan areas of north-central Pennsylvania, situated in the area known as the Northern Tier.

For the purposes of assessing First Citizens' CRA performance in the Commonwealth of Pennsylvania and overall, the greatest weight was given to performance in the PA Non-MSA assessment area. Of the bank's total loans, 65% by number and 56% by dollar amount can be attributed to the PA Non-MSA assessment area. First Citizens operates sixteen branches in the assessment area and holds $787 million in deposits, or 66% of the bank's total deposits as of December 31, 2018.

First Citizens' CRA performance in this assessment area was evaluated in terms of the demographic and business context in which the bank operates.

As of the 2010 Census, there were 38 census tracts in the bank's PA Non-MSA assessment area, none of which were designated as low-income, two of which were moderate-income, 36 of which were middle-income, and none of which were upper-income. One of the moderate-income tracts is located in the lower western portion of Bradford County, and one tract is situated in the northern part of Clinton County. According to 2015 ACS data, there was one low-income tract, one moderate-income tract, 34 middle-income tracts, and two upper-income census tracts. The one low-income tract is situated in the lower central portion of Clinton County, and one of the moderate-income tracts is located in the northern part of Clinton County. Pursuant to the 2015 ACS update, the moderate-income tract situated in Bradford County was updated to a middle-income designation.

Per the 2010 Census, the PA Non-MSA assessment area had a population of 161,298 and was considered to be rural, with all areas in the assessment area being eligible for the USDA Rural Loan Mortgage Program. The four counties comprising the assessment area make up First Citizen's northern region of the bank's overall assessment area. The PA Non-MSA assessment area is the least populated assessment area of the whole First Citizens' footprint.

According to the FDIC's Summary of Deposits as of June 30, 2018, there were 13 depository institutions operating branches in First Citizens' PA Non-MSA assessment area. These institutions collectively operated 61 branches maintaining $2.6 billion in deposits. First Citizens, with 16 branches, ranked first with nearly $787 million in deposits, or 30% of the retail deposit market. Citizens & Northern Bank held the second largest share of deposits with 27% of the market, followed by Northwest Bank with 11% of deposits.

First Citizens reports home-mortgage loans pursuant to HMDA, and was compared to the aggregate of all lenders in the assessment area reporting real estate loans pursuant to HMDA. This data is reported annually. According to 2016 data, there were 200 HMDA reporters in the assessment area, who originated or purchased a total of 3,387 HMDA loans. Citizens & Northern Bank ranked first with 18% of the market, followed by First Citizens with 13%, and Quicken Loans, Inc. with 6%.

According to 2017 aggregate HMDA data, 3,159 home mortgage loans were collectively originated or purchased by 213 institutions in the assessment area. Citizens & Northern Bank is the largest HMDA reporter in the bank's PA Non-MSA assessment area, reporting 17% of all such loans followed by First Citizens with 12%, and Quicken Loans, Inc. with 5% of all loans originated and purchased.

Similarly, the institution reports its small business and small farm loans pursuant to the CRA, and was compared to the aggregate of all lenders operating in the assessment area. This data is also reported annually. According to 2016 data, there were 76 small business and small farm reporters in the assessment area, originating or purchasing 2,353 small business and small farm loans. First Citizens led the market with 14% market share, followed by American Express Bank, FSB with 10% of the market, and Synchrony Bank with just under 10%.

According to aggregate CRA data, the assessment area had a total of 72 small business reporters in 2017, who collectively originated or purchased 2,085 small business loans in the bank's PA Non-MSA assessment area. First Citizens again led the market, with 12% of small business and small farm loans, followed by American Express Bank, FSB with just under 12% market share, and Synchrony Bank with 9% of all loans originated and purchased.

Since CRA data reporting includes small business loans issued under corporate credit card arrangements, some of the top reporters in the assessment area are national credit card originators. More specifically, in 2017, American Express Bank, FSB, Synchrony Bank, and Capital One Bank USA, N.A. were all in the top five of CRA lenders, collectively holding just under one third of the market share in the assessment area.

To supplement economic, demographic and performance data, interviews were conducted with two local community organizations, which provided perspective on the credit needs of the PA Non-MSA assessment area. One interview was held with an agency focused on economic development in the region, and the other was with a community coalition focused on strengthening the overall region. The contacts identified workforce development, affordable housing, and revitalization and stabilization as credit and community needs in the Northern Tier communities.

Two factors were specifically identified by community contacts and bank management as precipitating the economic hardships faced by individuals and small businesses in the PA Non-MSA assessment area. Both issues are described below.

Opioid Epidemic

Community contacts noted that a rise in opioid use in the region has had a negative impact to the economic development in the county. Negative effects of the opioid epidemic include a reduced workforce, and a strain on the medical and counseling sectors. Further, the lack of public transportation in the rural counties effectively hinders those who are seeking treatment and counseling from successfully arriving at their scheduled appointments. Among Pennsylvania's Northern Tier, research showed that opioid prescription rates in Tioga County were 10-30% higher compared with the national rate over peak years.[5]

Marcellus Shale Industry

Data reflects that Bradford, Clinton, Potter, and Tioga Counties were dramatically impacted by the 2016 decline in Marcellus Shale production.[6] Aggregate lending patterns within the Northern Tier counties decreased over 50% in 2017 in response to the economic downturn in the region, which was directly tied to the industry's decline during that time period. The economic effect of the declining industry can be seen in the bank's lending activity in 2017 for the PA Non-MSA assessment area.

Bradford County

Bradford County had a population of 62,622 residents as of the 2010 Census, with very little change noted at the 2015 ACS update. The county is located in the Appalachian mountain range, also known as the Endless Mountains Region. Bradford is the second largest county by size in Pennsylvania, and the town of Towanda is the county seat.

In an attempt to foster economic opportunities by stimulating industrial, commercial and residential improvements, Bradford County, Clinton County, and Tioga County each participate in the Keystone Opportunity Zones (KOZ) program. The designated opportunity zones provide for waived business gross receipts taxes for qualified businesses in the designated areas.

In recent years, the natural gas drilling industry has had a large impact on Bradford County's economy. At the previous evaluation, the industry made up 5% of the state's total employment, current levels have dropped to less than 1% of state employment. Currently, major industries in the county by employment percentage are: health care and social assistance (24%), manufacturing (16%), and retail trade (11%).

Major employers in the county include Robert Packer Hospital, Inc., Cargill Meat Solutions Corporation, and Guthrie Medical Group, PC.

[5] https://philadelphiafed.org/-/media/research-and-data/publications/economic-insights/2019/q2/eiq219-opioid-impact.pdf?la=en
[6] https://shaleprofile.com/2019/05/28/marcellus-pa-update-through-march-2019/

Clinton County

Clinton County had a population of 39,238 residents as of the 2010 Census, growing to 39,614 as of the 2015 ACS update. Clinton County is situated in the northern part of the state, 24 miles southwest of Williamsport. Although Clinton County is counted within the northern portion of First Citizens' assessment area, it is geographically considered to be in central Pennsylvania, and is adjacent to Centre County, Pennsylvania. Lock Haven is the county seat, and is the home of Lock Haven University. More than 60% of the County is state land which is available for public use. The region boasts a network of trails, state parks, forests and game lands, and derives a large part of its economy from tourism, with the Susquehanna River and many lakes encouraging fishing and other water sports.

To encourage creation of quality jobs and capital investment along the I-99 corridor, the Clinton County Economic Partnership administers the Clinton County Enterprise Zone (CCEZ). The program offers low-interest loan funds to new and existing businesses and industries located within the CCEZ.

Major industries in the county by employment percentage are manufacturing (22%), retail trade (13%), and health care and social assistance (11%). Major employers in the county include First Quality Products, Inc., Keystone Central School District, and First Quality Tissue, LLC.

Potter County

Potter County is part of the Allegheny Plateau region, and had a population of 17,457 residents as of the 2010 Census, and a population of 17,377 as of the 2015 ACS update. The county is home to a large number of state parks, and is a vacation and recreation destination for hiking, fishing, and camping. A large part of Potter County's economy is based in the service and tourism industries, and in recent years, natural gas drilling has become another important driver, as the industry grew in prominence along the Pennsylvania's Northern Tier counties. Economic employment drivers in Potter County include Health Care and Social Assistance (18.7%), Manufacturing (12.6%), and Retail Trade (9.4%). Natural gas drilling is another important driver, as the industry grew in prominence along the Pennsylvania's Norther Tier counties in recent years. The highest paying industries are Utilities, Mining, Quarrying, and Oil & Gas Extraction, and Transportation & Warehousing, & Utilities. As indicated, Potter County is active in regional tourism initiatives, which allow for neighboring counties to combine resources and energy to enhance local economic development and promote their unique recreational opportunities, attractions and communities. Coudersport is the county seat of Potter County.

In 2017, Potter County was designated a distressed nonmetropolitan middle-income geography according to the FFIEC's list of such tracts. The driving factor in the designation was due to high unemployment rates. The county is comprised of five middle-income census tracts, all of which were considered to be distressed in 2017, and this county contains two of First Citizens' branches within the assessment area.

Major industries in the county by employment percentage are health care and social assistance (19%), manufacturing (13%), and retail trade and transportation and warehousing (9%). Major employers in the county include Charles Cole Memorial Hospital, Morris Compressors, Inc., and Cole Care, Inc.

Tioga County

Tioga County contains thousands of acres of state forest, and the Pennsylvania Grand Canyon. The county is located at what was the center of the Marcellus Shale region, and the natural gas drilling industry. As mentioned earlier, since the previous evaluation, the industry's prominence as an economic driver in the Northern Tier region has declined. In Tioga County, mining, quarrying, and oil & gas represents nearly 4% of the county's employment, and less than 1% of the state's employment. Similarly, the natural resources and mining industry represents 9% of Tioga County's unemployment compensation total[7].

Tioga County is not located in a metropolitan statistical area, and the county's largest towns include Mansfield and Wellsboro, the county seat. As of the 2010 Census, Tioga County had a population of 41,981 residents, and the population rose to 42,284 as of the 2015 ACS update.

Tioga County participates in the KOZ opportunity zone program in an effort to spur economic development in the county. Tioga County, like Bradford and Clinton counties, has taken a partnership approach between the business community and local universities in a community effort to spur industry relocation, and to encourage workforce development, often with the assistance of tax incentives offered by the state.

Major industries in the county by employment percentage are health care and social assistance (16%), manufacturing (15%), and retail trade (14%). Major employers in the county include Soldier & Sailors Memorial Hospital, Ward Manufacturing, LLC, and Northern Tioga School District.

The unemployment rates for the counties included in the PA Non-MSA assessment area are presented in the following table, in comparison with the rates for the Commonwealth of Pennsylvania, and the nation as a whole. As illustrated below, all counties in the PA Non-MSA assessment area have unemployment rates above both the Commonwealth and the nation, with those in Potter and Clinton counties being the highest. It is also noteworthy that all five of the census tracts in Potter County were considered to be distressed tracts for the purposes of CRA in 2017, due to high levels of unemployment.[8]

[7] Tioga County Profile, May 2019.

[8] The following census tracts, which comprise the entirety of Potter County, were considered to be distressed nonmetropolitan middle-income tracts due to unemployment, using 2017 data published by the FFIEC: Tracts 9501, 9502, 9503, 9504 and 9505.

First Citizens Community Bank PA Non-MSA Assessment Area UNEMPLOYMENT RATES		
Location	**Annual Average 2017 (%)**	**Annual Average 2016 (%)**
Bradford County	5.1	6.5
Clinton County	6.1	7.1
Potter County	6.5	7.8
Tioga County	5.9	7.1
Commonwealth of Pennsylvania	4.9	5.4
United States	4.4	4.9

*Source: United States Department of Labor, Bureau of Labor Statistics

Housing

<u>2010 Census Data</u>

Based on the 2010 Census, the assessment area contained 83,105 housing units, 58% of which were owner-occupied, 20% of which were rental units, and 22% of which were vacant. The overall owner-occupancy rate in the assessment area (58%) was lower than in the Commonwealth of Pennsylvania (63%).

The distribution of owner-occupied housing units throughout the assessment area is used as a proxy to estimate demand for residential mortgage lending within such tracts. According to the 2010 Census, no owner-occupied housing was located in low- or upper- income census tracts, and 42% was located in moderate-income tracts. The majority of owner-occupied housing was located in middle-income tracts, at 58%.

Of the total existing housing units, 73% were single-family units, 7% were two-to-four family units, 5% were multifamily units, and 15% were mobile homes. The median age of the housing stock was 46 years, which is somewhat younger than in the Commonwealth of Pennsylvania, where the median age of housing is 50 years.

Data show that the price of housing in the assessment area is more affordable than in the Commonwealth overall. The 2010 Census data show that the median value of the housing stock in the assessment area was $100,042, which is lower than the median housing value in Pennsylvania ($159,300). The median housing value in moderate-income tracts was $71,757 compared to $102,011 in middle-income tracts. In the assessment area, 50% of the total owner-occupied housing units were valued at less than $100 thousand, compared to Pennsylvania, where 29% were valued at less than $100 thousand.

Similarly, rents in the assessment area were lower than in Pennsylvania overall. Median gross rent in the PA Non-MSA assessment area was $577, which compares favorably to that in the Commonwealth ($739).

2015 ACS Data

According to the updated 2015 ACS data, the PA Non-MSA assessment area contained 83,426 housing units, 55% of which were owner-occupied, 19% of which were rental units, and 25% of which were vacant units. The overall owner-occupancy rate in the assessment area (55%) was lower than that in Pennsylvania (61%).

The distribution of owner-occupied housing in the assessment area shifted slightly using 2015 ACS data. According to 2015 ACS data, less than 1% of owner-occupied housing was located in low-income census tracts, and 2% was located in moderate-income tracts. As with the 2010 Census, most owner-occupied housing was in middle-income census tracts (91%), and 7% was located in upper-income tracts.

Of the total existing housing units, 74% were single-family units, 6% were two-to-four family units, 5% were multifamily units, and 14% were mobile homes. The median age of the housing stock was 54 years, matching the median age of housing stock in the Commonwealth.

The 2015 ACS data shows that the median value of the housing stock in the assessment area was $123,132, which was lower than the median housing value in Pennsylvania ($166,000). The median housing value in the assessment area's low-income tracts was $88,695, and dropped to $58,505 in moderate-income tracts. Housing values were considerably higher in middle- and upper-income tracts ($123,881 and $148,502, respectively). In the assessment area, 39% of the total owner-occupied housing units were valued at less than $100 thousand, compared to Pennsylvania, where 26% were valued at less than $100 thousand.

Similarly, median rents were more affordable in the assessment area than in Pennsylvania. Median gross rent in the PA Non-MSA assessment area was $670, which compares favorably to that in the Commonwealth ($840).

Borrower Income Data

2010 Census Data

The percentages of low- and moderate-income families are used as proxies to estimate demand for home-mortgage lending in the assessment area. Of the total families in the assessment area, 20% were low-income, 19% were moderate-income, 23% were middle-income, and 38% were upper-income. In the assessment area, 10% of families were living below the poverty level, compared to under 9% in the Commonwealth overall.

2015 ACS Data

According to 2015 ACS data, 19% of families were low-income, 19% were moderate-income, 21% were middle-income, and 41% were upper-income. Further 10% of the assessment area's families were living below the poverty level, remaining slightly below the same measure in the Commonwealth of Pennsylvania.

For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes were classified upon U.S. Department of Housing and Urban Development (HUD) annually-adjusted median family income data made available by the FFIEC. The assessment area's median family incomes for 2016 and 2017 are listed in the table below, and are categorized by the dollar amounts recognized as low-, moderate-, middle- and upper-income.

Year	HUD- Adjusted Median Family Income	Low-Income (<50%)	Moderate-Income (50%-less than 80%)	Middle-Income (80%-less than 120%)	Upper-Income (120% or Greater)
2016	$56,000	Less than $28,000	$28,000 - $44,799	$44,800 - $67,199	$67,200 or more
2017	$57,500	Less than $28,750	$28,750 - $45,999	$46,000 - $68,999	$69,000 or more

Geographic Business and Farm Data

2010 Census Data

The percentage of businesses located within designated census tracts is used as a proxy to estimate demand for small business credit within such tracts. According to business data provided by Dun & Bradstreet in 2016, no businesses were located in low-income or upper-income census tracts, and only 4% were located in moderate-income census tracts. The vast majority of businesses were located in middle-income census tracts (96%). Business demographic data also revealed that of the 6,061 businesses located in the assessment area, 89% were small businesses with gross annual revenues of $1 million or less.

Similarly, the percentage of total farms within designated census tracts is used as a proxy to estimate demand for small farm credit within such tracts. According to 2016 Dun & Bradstreet data, no farms were located in low- or upper-income tracts. Only 3% of farms were located in moderate-income tracts, while 97% were located in middle-income census tracts. Demographic data also revealed that of the 580 farms in the assessment area, 98% were small farms with gross annual revenues of $1 million or less.

2015 ACS Data

Using 2017 Dun & Bradstreet data, just under 3% of businesses were located in low-income tracts, and just under 2% were located in moderate-income tracts. The vast majority of businesses were located in middle-income tracts (90%), with the remainder located in upper-income tracts (6%). Business demographics revealed that of the 5,452 businesses in the assessment area, 88% were small businesses with gross annual revenues of $1 million or less.

Dun & Bradstreet data for 2017 indicates that no farms were located in low-income tracts, and less than 1% were located in moderate-income tracts. The majority of farms were located in middle-income tracts (93%), while the remaining farms were located in upper-income census tracts (6%). Finally, of the 499 farms operating in the assessment area, 98% were farms with gross annual revenues of $1 million or less.

The 2016 and 2017 assessment area demographics used to evaluate First Citizens' CRA performance in the PA Non-MSA assessment area are detailed in the tables on the following pages.

First Citizens Community Bank Assessment Area Demographics 2016								
Income Categories	**Tract Distribution**		**Families by Tract Income**		**Families < Poverty Level as % of Families by Tract**		**Families by Family Income**	
	#	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Low-income	0	0.0	0	0.0	0	0.0	8,750	20.0
Moderate-income	2	5.3	1,933	4.4	319	16.5	8,345	19.1
Middle-income	36	94.7	41,724	95.6	4,154	10.0	10,153	23.3
Upper-income	0	0.0	0	0.0	0	0.0	16,409	37.6
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**38**	**100.0**	**43,657**	**100.0**	**4,473**	**10.2**	**43,657**	**100.0**
	Housing Units by Tract	**Housing Types by Tract**						
		Owner-occupied			**Rental**		**Vacant**	
	#	**#**	**%**	**%**	**#**	**%**	**#**	**%**
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	4,974	2,090	4.3	42	1,001	20.1	1,883	37.9
Middle-income	78,131	45,974	95.7	58.8	15,507	19.8	16,650	21.3
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**83,105**	**48,064**	**100.0**	**57.8**	**16,508**	**19.9**	**18,533**	**22.3**
	Total Businesses by Tract		**Businesses by Tract & Revenue Size**					
			Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**	
	#	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	259	4.3	223	4.1	17	3.9	19	8.4
Middle-income	5,802	95.7	5,179	95.9	416	96.1	207	91.6
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**6,061**	**100.0**	**5,402**	**100.0**	**433**	**100.0**	**226**	**100.0**
	Percentage of Total Businesses:			**89.1**		**7.1**		**3.7**
	Total Farms by Tract		**Farms by Tract & Revenue Size**					
			Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**	
	#	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	19	3.3	19	3.3	0	0.0	0	0.0
Middle-income	561	96.7	550	96.7	11	100.0	0	0.0
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**580**	**100.0**	**569**	**100.0**	**11**	**100.0**	**0**	**0.0**
	Percentage of Total Farms:			**98.1**		**1.9**		**0.0**

2016 FFIEC Census Data and 2016 D&B Information

First Citizens Community Bank Assessment Area Demographics 2017								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	1	2.6	478	1.1	216	45.2	7,908	18.8
Moderate-income	1	2.6	833	2.0	144	17.3	7,971	18.9
Middle-income	34	89.5	38,173	90.6	3,645	9.5	8,981	21.3
Upper-income	2	5.3	2,631	6.2	197	7.5	17,255	41.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**38**	**100.0**	**42,115**	**100.0**	**4,202**	**10.0**	**42,115**	**100.0**
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
	#	#	%	%	#	%	#	%
Low-income	1,113	225	0.5	20.2	825	74.1	63	5.7
Moderate-income	3,182	992	2.1	31.2	300	9.4	1,890	59.4
Middle-income	74,935	41,861	90.6	55.9	14,534	19.4	18,540	24.7
Upper-income	4,196	3,125	6.8	74.5	572	13.6	499	11.9
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	**83,426**	**46,203**	**100.0**	**55.4**	**16,231**	**19.5**	**20,992**	**25.2**
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	140	2.6	120	2.5	17	3.9	3	1.5
Moderate-income	87	1.6	71	1.5	4	0.9	12	5.9
Middle-income	4,908	90.0	4,348	90.3	383	88.0	177	87.6
Upper-income	317	5.8	276	5.7	31	7.1	10	5.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**5,452**	**100.0**	**4,815**	**100.0**	**435**	**100.0**	**202**	**100.0**
	Percentage of Total Businesses:			**88.3**		**8.0**		**3.7**
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	1	0.2	1	0.2	0	0.0	0	0.0
Middle-income	466	93.4	456	93.3	10	100.0	0	0.0
Upper-income	32	6.4	32	6.5	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**499**	**100.0**	**489**	**100.0**	**10**	**100.0**	**0**	**0.0**
	Percentage of Total Farms:			**98.0**		**2.0**		**0.0**

2017 FFIEC Census Data and 2017 D&B Information

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The lending test evaluates an institution's lending activities based on the following characteristics:

- Lending activity in the assessment area;
- Borrower distribution of loans, including the distribution of loans to low- and moderate-income borrowers, and businesses and farms of different sizes, including small businesses and farms;

- Geographic distribution of loans, including loans originated in low- and moderate-income census tracts;
- Responsiveness to the credit needs of low- income individuals and geographies, and very small businesses and farms;
- Innovativeness and flexibility of lending practices; and
- Community development lending activities.

Performance under the lending test is rated high satisfactory in PA Non-MSA assessment area.

Lending Activity

First Citizens' lending levels in the PA Non-MSA assessment area reflect excellent responsiveness to credit needs. During the evaluation period, lending activity in the PA Non-MSA assessment area represented 65% of the bank's overall lending by number of loans, and 56% by dollar volume. During the evaluation period, First Citizens made 819 HMDA loans totaling almost $90 million, 331 small business loans totaling $35 million; and 246 small farm loans totaling $24 million in the bank's PA Non-MSA assessment area.

Borrower Distribution of Lending

Given the assessment area's demographics and economic characteristics, the borrower distribution of lending reflects, given the product lines offered: excellent penetration among individuals of different income levels, including low- and moderate-income individuals, and farms of different sizes, including small farms, and good penetration among businesses of different sizes, including small businesses.

It is noted that borrower distribution is given more weight than geographic distribution in this assessment area, in driving lending test performance. The demographics of the PA Non-MSA assessment area limit the amount of geographic distribution analysis that can be performed.

Home-Mortgage Lending

First Citizens' distribution of home-mortgage loans among borrowers of different income levels, including low- and moderate-income borrowers, is excellent.

For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes are classified based upon annually-adjusted median family income data made available by the FFIEC. The respective percentages of low- and moderate-income families in the assessment area are used as proxies to estimate demand for home-mortgage credit. Generally, the higher the percentages of low- and moderate-income families in an assessment area, the greater the demand for credit is among low- and moderate-income individuals and families within the assessment area. As noted previously, according to 2010 data, 20% of families in the assessment area were low-income, 19% were moderate-income, 23% were middle-income, and 38% were upper-income. According to 2015 ACS data, 19% of assessment area families were low-income, 19% were moderate-income, 21% were middle-income, and 41% were upper-income.

The following tables compare First Citizens' home-mortgage lending to aggregate home-mortgage lending levels, using median family income as a proxy for loan demand.

First Citizens Community Bank PA Non-MSA Assessment Area Distribution of HMDA Loans by Borrower Income Level			
Income Level	% Families by Family Income Level (2010 Census Data)	Aggregate Comparison 2016	
		% First Citizens	% Aggregate Lending
Low	20.0	7.9	5.0
Moderate	19.1	19.6	18.0
Middle	23.3	15.9	24.5
Upper	37.6	49.9	39.4
Unknown	0.0	6.6	13.0
Total	**100%**	**100%**	**100%**

First Citizens Community Bank PA Non-MSA Assessment Area Distribution of HMDA Loans by Borrower Income Level			
Income Level	% Families by Family Income Level (2015 ACS Data)	Aggregate Comparison 2017	
		% First Citizens	% Aggregate Lending
Low	18.8	6.8	5.8
Moderate	18.9	17.2	18.8
Middle	21.3	21.9	24.8
Upper	41.0	50.8	38.6
Unknown	0.0	3.3	12.0
Total	**100%**	**100%**	**100%**

Lending to Low-Income Borrowers

Overall, First Citizens' lending to low-income borrowers was good.

2010 Census Data

First Citizens lending in 2016 to low-income borrowers was excellent. In total, 8% of the bank's HMDA loans (thirty-six loans) were originated to low-income borrowers, exceeding the aggregate lending level of 5%, but trailing proxy of 20%. By loan category, First Citizens originated 8% of its home-purchase loans (fourteen loans), 5% of its refinance loans (seven loans), 12% of its home-improvement loans (fifteen loans), and no multifamily loans to low-income borrowers. In comparison, aggregate lenders made 5% of home purchase loans, 5% of refinance loans, 8% of home improvement loans, and no multifamily loans to low-income borrowers in 2016.

<u>2015 ACS Data</u>

In 2017, First Citizens' HMDA lending to low-income borrowers was good. In total 7% of the bank's HMDA loans (twenty-five loans) were originated to low-income borrowers. This slightly exceeded the aggregate lending level of 6%, but trailed the proxy of 19%. By loan category, First Citizens originated 6% of its home purchase loans (nine loans), 7% of its refinance loans (nine loans), 7% of its home improvement loans (seven loans), and no multifamily loans to low-income borrowers. By loan category, aggregate lenders made 5% of home purchase loans, 6% of refinance loans, 9% of home improvement loans and no multifamily loans to low-income borrowers in 2017.

For both years, bank and aggregate lending levels were far below the proxy of low-income families, potentially indicating limited lending opportunities with the assessment area's low-income borrowers. In assessing the level of the bank's lending among low-income borrowers, the evaluation takes into consideration median family incomes and housing costs, and the challenges faced by low-income borrowers in saving for a down payment and closing costs, which can present a significant obstacle to homeownership, thereby limiting lending opportunities.

<u>Lending to Moderate-Income Borrowers</u>

Overall, the bank's lending to moderate-income borrowers was excellent.

<u>2010 Census Data</u>

In 2016, First Citizens' overall lending to moderate-income borrowers was excellent. In total, 20% of the bank's HMDA loans (eighty-nine loans) were originated to moderate-income borrowers, exceeding both the aggregate lending level of 18% and proxy of 19%. By loan category, First Citizens originated 17% of its home purchase loans (thirty-one loans), 19% of its refinance loans, 25% of its home improvement loans (thirty-one loans), and no multifamily loans to moderate-income borrowers. By loan category, aggregate lenders made 19% of home purchase loans, 15% of refinance loans, 21% of home improvement loans and no multifamily loans to moderate-income borrowers in 2016.

<u>2015 ACS Data</u>

First Citizens' HMDA lending to moderate-income borrowers in 2017 was good. In total, 17% of the bank's HMDA loans (sixty-three loans) were originated to moderate-income borrowers, which was just under the aggregate lending level of 19%, and proxy of 19%. By loan category, First Citizens originated 11% of its home purchase loans (sixteen loans), 21% of its refinance loans (twenty-seven loans), 21% of its home improvement loans (twenty loans), and no multifamily loans to moderate-income borrowers. By loan category, aggregate lenders made 18% of home purchase loans, 18% of refinance loans, 22% of home improvement loans, and no multifamily loans to moderate-income borrowers in 2017.

Small Business Lending

An analysis of First Citizens' borrower distribution of small business loans reflects good penetration among business customers of different sizes including small businesses. For purposes of this evaluation, a small business loan is defined as a commercial loan with an origination amount of $1 million or less. Small business loans are further quantified to identify those loans to businesses with gross annual revenues of $1 million or less, namely small businesses.

The number of businesses operating in the PA Non-MSA assessment area is used as a proxy to estimate demand for business credit in the assessment area. According to available Dun & Bradstreet business data, 6,061 businesses were operating in the assessment area in 2016, with 89% designated as small businesses reporting revenues of $1 million or less. In 2017, 5,452 businesses were operating in the assessment area, with 88% designated as small businesses.

2010 Census Data

In 2016, the bank's borrower distribution of small business loans was good. In 2016, First Citizens originated 186 small business loans in the assessment area, aggregating $19 million. Of these loans, 70% were originated to small businesses. The bank's 2016 lending to small businesses exceeded the aggregate lending level of 44% to small businesses by all lenders in the assessment area, but fell short of the proxy of 89%.

Small business loans were further analyzed to determine the extent of loans originated in an amount of $100 thousand or less. Smaller size loans are generally commensurate with the borrowing needs of smaller businesses, thus added weight is given to such loans in determining whether an institution is meeting the credit needs of smaller businesses. In 2016, 73% of First Citizens' small business loans in the assessment area were extended in an amount of less than $100 thousand. Aggregate lending data for 2016 shows that 90% of small business loans made in the assessment area were originated in an amount of $100 thousand or less.

2015 ACS Data

In 2017, First Citizens' borrower distribution of small business loans was good. In 2017, the bank originated 145 small business loans, aggregating $16 million in the assessment area. Of these loans, 72% were originated to small businesses, again exceeding the aggregate lending level of 47% of loans to small businesses.

In 2017, 69% of First Citizens' small business loans were extended in an amount of $100 thousand or less. The 2017 aggregate lending data shows that 90% of small business loans made in the assessment area were originated in an amount of $100 thousand or less.

In considering aggregate data, it should be noted that small business and small farm data includes credit card loans made by large credit card issuers. Because credit card loans are generally made in smaller amounts, this can skew aggregate small business data. As noted previously, amongst the top small business lenders in the assessment area are national lenders with large credit card portfolios, and this is taken into account when drawing conclusions about the bank's small business lending.

Small Farm Lending

An analysis of First Citizens' distribution of loans to farms reflects excellent penetration among farm customers of different sizes, including small farms. For purposes of this evaluation, a small farm loan is defined as loans that 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.

The number of farms operating in the PA Non-MSA assessment area is used as a proxy to estimate demand for farm credit in the assessment area. According to available Dun & Bradstreet farm data, 580 farms were operating in the assessment area in 2016, with 98% designated as small farms reporting revenues of $1 million or less. In 2017, 499 farms were operating in the assessment area, with 98% designated as small farms.

2010 Census Data

In 2016, the bank's borrower distribution of small farm loans was excellent. In 2016, First Citizens originated 139 small farm loans in the assessment area, aggregating $14 million. Of these loans, 91% were originated to small farms. The bank's 2016 lending to small farms exceeded the aggregate lending level of 79% to small farms by all lenders in the assessment area, and fell short of the proxy of 98%.

Small farm loans were further analyzed to determine the extent of loans originated in an amount of $100 thousand or less. Smaller size loans are generally commensurate with the borrowing needs of smaller farms, thus added weight is given to such loans in determining whether an institution is meeting the credit needs of smaller farms. In 2016, 68% of First Citizens' small farm loans in the assessment area were extended in an amount of less than $100 thousand. Aggregate lending data for 2016 shows that 77% of small farm loans made in the assessment area were originated in an amount of $100 thousand or less.

2015 ACS Data

In 2017, First Citizens' borrower distribution of small farm loans was excellent. In 2017, the bank originated 107 small farm loans, aggregating over $10 million in the assessment area. Of these loans, 92% were originated to small farms, once again far exceeding the aggregate lending level of 70% of loans to small farms, though slightly below the proxy of 98%.

In 2017, 72% of First Citizens' small farm loans were extended in an amount of $100 thousand or less. The 2017 aggregate lending data shows that 80% of small farm loans made in the assessment area were originated in an amount of $100 thousand or less.

Again, consideration was given to the fact that aggregate small business and small farm data contains credit card lending, which can skew aggregate data.

Geographic Distribution of Lending

The geographic distribution of loans reflects excellent penetration throughout the PA Non-MSA assessment area, including in low- and moderate-income census tracts.

Home-Mortgage Lending

First Citizens' geographic distribution of home-mortgage loans among borrowers of different income levels, including low- and moderate-income borrowers is excellent. As noted Earlier, the percentage of owner-occupied housing units contained within designated census tracts is used as a proxy to estimate demand for residential mortgage lending within such tracts. Generally, the greater the number of owner-occupied residential dwellings in a census tract, the greater the demand is for home-mortgage credit in the tract.

According to the 2010 Census data, none of the owner-occupied housing was located in low- or upper-income tracts, and 4% was in moderate-income census tracts. The majority of owner-occupied housing stock was in middle-income census tracts (96%).

Using 2015 ACS data, less than 1% of owner-occupied housing was located in low-income census tracts, and 2% was located in moderate-income tracts. The majority of owner-occupied housing was located in middle-income tracts (91%), and the remaining housing was located in upper-income tracts (7%).

The tables below present the geographic distribution of First Citizens' HMDA lending in comparison to the applicable owner-occupied housing proxy and the aggregate lending levels in the assessment area.

First Citizens Community Bank
PA Non-MSA Assessment Area
Geographic Distribution of HMDA Loans

Income Level	% Owner-Occupied Housing Units (2010 Census Data)	Aggregate Comparison	
		2016	
		% First Citizens Lending	% Aggregate Lending
Low	0.0	0.0	0.0
Moderate	4.3	6.8	4.5
Middle	95.7	93.2	95.5
Upper	0.0	0.0	0.0
Unknown	0.0	0.0	0.0
Total	**100%**	**100%**	**100%**

First Citizens Community Bank PA Non-MSA Assessment Area Geographic Distribution of HMDA Loans			
Income Level	% Owner-Occupied Housing Units (2015 ACS Data)	Aggregate Comparison	
		2017	
		% First Citizens Lending	% Aggregate Lending
Low	0.5	0.0	0.5
Moderate	2.1	0.0	1.3
Middle	90.6	95.6	92.0
Upper	6.8	4.4	6.2
Unknown	0.0	0.0	0.0
Total	**100%**	**100%**	**100%**

Lending in Low-Income Census Tracts

As discussed below, the geographic distribution of home-mortgage lending in low-income census tracts was not analyzed due to assessment area demographics.

2010 Census Data

There were no low-income census tracts in the PA Non-MSA assessment area as of the 2010 Census, therefore geographic distribution analysis to low-income areas for 2016 was not performed.

2015 ACS Data

Because only one low-income census tract was reported using 2015 ACS data, geographic distribution in low-income geographies was not analyzed, as performance results would not prove meaningful in this assessment area.

Lending in Moderate-Income Census Tracts

The geographic distribution of the bank's home-mortgage lending in moderate-income census tracts was excellent.

2010 Census Data

First Citizens'HMDA lending in moderate-income census tracts in 2016 was excellent.

In 2016, the bank's lending level of 7% in moderate income-tracts (thirty-one loans) exceeded both the aggregate lending level of 5% and the owner-occupied housing proxy of 4%. Categorized by loan product type, First Citizens originated 6% of its home purchase loans (ten loans), 7% of its refinance loans (nine loans), 10% of its home improvement loans (twelve loans), and none of its multifamily loans in moderate-income census tracts in the assessment area. In comparison, aggregate lending data shows that 4% of all home purchase loans, 4% of all refinance loans, 7% of all home improvement loans, and no multifamily loans were originated in moderate-income census tracts in 2016.

2015 ACS Data

Because only one moderate-income census tract was reported using 2015 ACS data, geographic distribution in moderate-income geographies was not analyzed, as performance results would not prove meaningful in this assessment area.

Small Business Lending

The geographic distribution of First Citizens' loans to businesses reflects excellent penetration throughout the assessment area, in the context of the assessment area's demographic and economic characteristics during the evaluation period.

The geographic distribution of businesses in the assessment area by census tract type is used as a proxy for small business loan demand. Generally, the greater the number of businesses located in a tract, the greater the demand for small business loans in the tract. Based on available business data, in 2016 there were no low- or upper-income census tracts in the assessment area. Dun & Bradstreet data indicate that 4% of the assessment area's businesses were located in the assessment area's two moderate-income tracts. The remaining 96% of businesses were located in middle-income tracts. In 2017, 3% of businesses were located in the single low-income tract and just under 2% of businesses were located in moderate-income tracts. Again, the majority of businesses were located in middle-income census tracts (90%), while the remainder of businesses were located in upper-income geographies (6%).

The tables below present First Citizens' small business geographic lending distribution, in comparison to the applicable business proxy and aggregate lending levels in the assessment area.

First Citizens Community Bank PA Non-MSA Assessment Area Geographic Distribution of Small Business Loans			
Census Tract Income Level	% Businesses By Tract Income Level (2010 Census Data)	Aggregate Comparison 2016	
		% First Citizens Lending	% Aggregate Lending
Low	0.0	0.0	0.0
Moderate	4.3	5.4	3.9
Middle	95.7	94.6	94.3
Upper	0.0	0.0	0.0
Unknown	0.0	0.0	0.0
Tract Unknown	0.0	0.0	1.8
Total	**100%**	**100%**	**100%**

First Citizens Community Bank PA Non-MSA Assessment Area Geographic Distribution of Small Business Loans			
Census Tract Income Level	% Businesses By Tract Income Level (2015 ACS Data)	Aggregate Comparison	
		2017	
		% First Citizens Lending	% Aggregate Lending
Low	2.6	0.0	1.7
Moderate	1.6	0.0	0.6
Middle	90.0	96.6	90.1
Upper	5.8	3.4	6.2
Unknown	0.0	0.0	0.0
Tract Unknown	0.0	0.0	1.5
Total	**100%**	**100%**	**100%**

Lending in Low-Income Census Tracts

As described below, geographic distribution in low-income census tracts was not analyzed, due to the demographics of the assessment area.

2010 Census Data

There were no low-income census tracts in the PA Non-MSA assessment area in 2016, therefore geographic distribution analysis to low-income geographies was not performed in 2016.

2015 ACS Data

Because only one low-income census tract was reported at the 2015 ACS update, geographic distribution of low-income areas was not analyzed, as performance results would not prove to be meaningful in this assessment area.

Lending in Moderate-Income Census Tracts

Overall, small business lending in moderate-income tracts was excellent.

2010 Census Data

In 2016, the geographic distribution of the bank's small business lending in moderate-income census tracts was excellent. First Citizens originated 5% of its small business loans (ten loans) in the assessment area's moderate-income census tracts. The bank's lending level exceeded both the applicable business loan demand proxy of 4% and the 2016 aggregate small business lending level of 4%.

2015 ACS Data

Because only one moderate-income census tract was reported at the 2015 ACS update, geographic distribution of small business loans was not analyzed, as performance results would not prove to be meaningful in this assessment area.

Small Farm Lending

The geographic distribution of First Citizens' loans to farms reflects excellent penetration throughout the assessment area, in the context of the assessment area's demographic and economic characteristics during the evaluation period.

The geographic distribution of farms in the assessment area by census tract type is used as a proxy for small farm loan demand. Generally, the greater the number of farms located in a tract, the greater the demand for small farm loans in the tract. Based on available business data, in 2016 there were no low- or upper-income census tracts, two moderate-income census tracts, and 36 middle-income tracts in the assessment area. According to Dun & Bradstreet data, 3% of the farms in the assessment area located in moderate-income tracts, while the rest (97%) were located in middle-income tracts. In 2017, the assessment area included one low-income tract, and one moderate-income tract. The majority of tracts were middle-income (34 tracts), and there were two upper-income tracts. No farms in the assessment area were located in the single low-income census tract, and only one farm was located in the single moderate-income census tract in the assessment area.

The tables below present First Citizens' small farm geographic lending distribution, in comparison to applicable farm proxy and aggregate lending levels in the assessment area.

First Citizens Community Bank
PA Non-MSA Assessment Area
Geographic Distribution of Small Farm Loans

Census Tract Income Level	% Farms By Tract Income Level (2010 Census Data)	Aggregate Comparison 2016	
		% First Citizens Lending	% Aggregate Lending
Low	0.0	0.0	0.0
Moderate	3.3	3.6	2.7
Middle	96.7	96.4	97.1
Upper	0.0	0.0	0.0
Unknown	0.0	0.0	0.0
Tract Unknown	0.0	0.0	0.3
Total	**100%**	**100%**	**100%**

First Citizens Community Bank
PA Non-MSA Assessment Area
Geographic Distribution of Small Farm Loans

Census Tract Income Level	% Farms By Tract Income Level (2015 ACS Data)	Aggregate Comparison 2017	
		% First Citizens Lending	% Aggregate Lending
Low	0.0	0.0	0.0
Moderate	0.2	0.0	0.0
Middle	93.4	99.1	96.7
Upper	6.4	0.9	3.3
Unknown	0.0	0.0	0.0
Total	**100%**	**100%**	**100%**

Lending in Low-Income Census Tracts

As described below, geographic distribution of small farm loans in low-income tracts was not analyzed, due to the demographics of the assessment area.

2010 Census Data

There were no low-income census tracts in the PA Non-MSA assessment area in 2016, therefore geographic distribution analysis to low-income geographies was not performed in 2016.

2015 ACS Data

As mentioned previously, no farms were located in the assessment area's single low-income tract in 2017, and as a result, geographic distribution could not be performed.

Lending in Moderate-Income Census Tracts

Overall, small farm lending in moderate-income tracts was excellent.

2010 Census Data

In 2016, the geographic distribution of the bank's small farm lending in moderate-income census tracts was excellent. In 2016, First Citizens originated 4% of its small farm loans (five loans) in the assessment area's moderate-income census tracts. The bank's lending level exceeded both the applicable business loan demand proxy of 3% and the 2016 aggregate small farm lending level of 3%.

2015 ACS Data

Dun & Bradstreet data show that less than 1% of farms were located in moderate-income census tracts in 2017. As a result, geographic distribution analysis could not be performed in 2017.

Responsiveness to Credit Needs

First Citizens exhibits a good record of servicing the credit needs of the most economically disadvantaged areas of its assessment area, including low-income borrowers and very small businesses, consistent with safe and sound banking practices.

The bank was especially effective in making retail home-mortgage loans that helped address the housing needs of low- and moderate-income persons and neighborhoods in the PA Non-MSA assessment area, a need which was identified by community contacts. Supplementing these retail loans were a significant number of loans made through targeted loan programs tailored to low- and moderate-income borrowers which are discussed below in more detail.

Innovative and/or Flexible Lending Practices

First Citizens makes use of innovative and/or flexible lending practices in serving PA Non-MSA assessment area credit needs. Through a number of different programs, the bank made home-mortgage loans to low- and moderate-income borrowers, and small business and small farms loans during the evaluation period.

As mentioned previously, the home mortgage credit needs of low- and moderate-income individuals and families often can be addressed more effectively by alternative mortgage products. In an effort to address the credit needs of such borrowers in the PA Non-MSA assessment area, the bank participates in programs for first-time homebuyers through the FHA, the VA, the USDA, and the Freddie Mac Home Possible Program.

In total, First Citizens made twenty home loans under special programs, totaling over $2.4 million. By loan type, First Citizens originated the following loans in the PA Non-MSA assessment area: two FHA loans totaling nearly $250 thousand; four VA loans totaling $701 thousand; five USDA loans totaling $636 thousand; and nine Home Possible loans totaling $846 thousand.

To address the credit needs of small businesses in its assessment area, First Citizens participates in the Small Business Administration (SBA) loan program, and is a preferred SBA Express Lender. Additionally, the bank participates in the FHLB's BOB program, also focusing on lending for small businesses. Finally, First Citizens offers farm loans through the USDA FSA loan program.

In total, the bank made thirty-seven loans through these three loan programs, totaling almost $6.6 million. By product type, First Citizens made the following loans in the PA Non-MSA assessment area: eight SBA loans totaling $1.8 million; twenty-five USDA FSA loans totaling $4.4 million; and four FHLB BOB loans totaling $355 thousand.

Community Development Lending

First Citizens makes an adequate level of community development loans in the PA Non-MSA assessment area. During the period evaluated, the bank reported four loans totaling $1.9 million in the assessment area. The bank made two new community development loans totaling just under $182 thousand that support community services targeted to low-and moderate-income individuals. The remaining two loan renewals, totaling $1.7 million, support economic development within the bank's assessment area. This is a significant increase from the previous evaluation when the bank's five community development loans totaled $959 thousand.

INVESTMENT TEST

The investment test evaluates a financial institution's level of qualified investments that serve low- or moderate-income areas or individuals, together with the innovativeness and complexity of such investments. Qualified investments made prior to the previous evaluation, which are still outstanding, are considered under the test. For purposes of the CRA, the term qualified investment has been defined to include: a lawful investment; deposit; membership share; or grant, including a donation or in-kind contribution of property that has as its primary purpose, community development.

Performance under the investment test is assessed as needs to improve.

Volume of Investment and Grant Activity

First Citizens has a poor level of qualified community development investments and grants. In total, the bank's qualified investments, grants, and donations in the PA Non-MSA assessment area totaled approximately $855 thousand. This represents a decrease from the investment and grant amount from the previous evaluation ($959 thousand), also considered a poor level. A substantial majority of the bank's overall deposits, lending, and operations are conducted within the PA Non-MSA assessment area. The level of qualified community development investments and grants is well below the $2.0 million level made by the institution even prior to expansion due to mergers and acquisition.

Investments support affordable housing for low- and moderate-income seniors (51%), community services targeted to low- and moderate-income individuals (34%), economic development (14%) in the PA Non-MSA assessment area, and revitalization and stabilization efforts (1%). One housing project, totaling almost $433 thousand and which provides 11 affordable housing units, includes low-income housing tax credits, and is a remaining investment from a prior-period. Six new investments were purchased during the evaluation period totaling almost $99 thousand, and include tax credits on loans under the Pennsylvania Resource Enhancement and Protection Program (REAP) for best management practices implementation for Pennsylvania's farmers, many of which are small farmers. This nearly $99 thousand investment supports economic development through the financing of small farms in the assessment area.

The bank also made eighteen investments totaling nearly $323 thousand in grants and donations to local organizations that routinely provide community development services in the assessment area. Of the total dollar amount, $289 thousand in tax credit investments were made to local schools or educational foundations in the assessment area, providing community services to low- and moderate-income students. The vast majority (almost 91% or nearly $293 thousand) provided community services to low- and moderate-income individuals in the assessment area, while almost 7% supported economic development and 3% supported revitalization and stabilization activities.

Responsiveness to Credit and Community Development Needs

First Citizens' investments exhibit good responsiveness to credit and community development needs of the assessment area.

Community contacts identified affordable housing as the most pronounced community need in the PA Non-MSA assessment area. As noted above, over half of the bank's investment dollars in this assessment area addressed affordable housing needs. Additionally, two of the bank's donations (both $10,000 in amount) went to workforce development activities, another community need identified by community contacts in the area. Many of the investments made by First Citizens provided affordable housing for low- and moderate-income seniors, where 19% of the population is age 65 and over.

Community Development Initiatives

First Citizens' makes significant use of innovative and/or complex investments to support community development initiatives. In the PA Non-MSA assessment area, the bank participated in three investment projects that carried more complexity than simple donations. These projects, centered in affordable housing, financing for small farms in the area, and school district funding, represented nearly 72% of the investment dollars deployed in this assessment area.

SERVICE TEST

The service test evaluates the financial services provided by a financial institution using the following characteristics:

- The accessibility of delivery mechanisms within an assessment area, including the distribution of an institution's branch offices and alternative delivery mechanisms;
- The impact of changes in branch locations upon low- and moderate-income census tracts or low- and moderate-income persons in the assessment area;
- The reasonableness of business hours and services in meeting assessment area needs; and
- The extent to which an institution provides community development services.

Performance under the service test is assessed as high satisfactory in the assessment area.

Accessibility of Delivery Systems

Delivery systems are accessible to the bank's geographies and individuals of different income levels in its assessment areas.

During the review period, First Citizens operated 16 full-service branches in the PA Non-MSA assessment area. Using the 2015 ACS data, no branches were located in low- or moderate-income census tracts. Instead, 15 branches (94%) were located in middle-income areas, and one branch (6%) was located in an upper-income tract. The following table details the locations of the bank's branches with comparison to 2015 ACS population demographics, and shows that branches are proximate to areas where the majority of the population resides.

First Citizens Community Bank Retail Branch Distribution PA Non-MSA Assessment Area 2015 ACS Data			
Census Tract Type	**Number of Branches**	**Percent of Branches**	**Percent of Population**
Low-income	0	0.0	1.4
Moderate-income	0	0.0	1.8
Middle-income	15	93.8	91.0
Upper-income	1	6.2	5.8
Totals	**16**	**100.0%**	**100.0%**

ATMs are available at all branch locations, which provides electronic access to banking services.

To supplement traditional banking services, First Citizens provides online banking services, telephone banking services and a smart phone mobile banking application that includes remote deposit capture capabilities. Using online banking services, bank customers can pay bills, open accounts and apply for loan products via the bank's website at https://www.firstcitizensbank.com.

Changes in Branch Locations

The bank did not open or close any branches in the PA Non-MSA assessment area during the evaluation period, and therefore this component of the service test was not evaluated in this assessment area.

Reasonableness of Business Hours and Services in Meeting Assessment Area Needs

Services do not vary in a way that inconveniences the bank's assessment area, particularly low- and moderate-income census tracts or individuals.

As mentioned above, all of First Citizens' branches in the assessment area include ATMs which are equipped with both English and Spanish languages. Of the 16 branches in the assessment area, 12 (75%) have drive-through facilities[9], and 13 (81%) offer lobby-hours[10] in addition to drive-through hours. All branches operate Monday through Friday, with extended hours on Thursday and/or Friday. In addition, 13 of the bank's16 branches offer Saturday morning hours.[11]

Bank Products

First Citizens offers a deposit product that provides greater access to banking services for low- and moderate-income customers. The bank's free checking account is a consumer account with no minimum daily balance requirement, and no monthly service fee.

The bank also offers a business checking account for small businesses with limited transaction activity. The account offers 400 free deposit items, and up to 50 paid checks with no monthly service charge if the monthly minimum balance of $800 is maintained. The bank charges twenty-five cents each for additional item. This account allows very small businesses access to banking services. Finally, First Citizens offers merchant card services to businesses, which allows them to accept payments from all major credit and debit cards, thus eliminating long waits between receivables and collecting NSF checks.

Community Development Services

First Citizens provides a relatively high level of community development services in the PA Non-MSA assessment area.

[9] Drive-through facilities are not available at the Genesee, Gillett, LeRaysville, and Mansfield Wal-Mart branches, due to limitations in the physical locations.

[10] Lobby hours are not available at the Millerton, Rome, or Sayre (North Elmira Street) branches.

[11] Saturday hours are not offered at the Gillett, LeRaysville, or Rome branches.

Over the evaluation period, many bank officers and employees provided qualified community development services and served in various capacities on boards and committees, and provided technical assistance to community and economic development organizations. Some notable examples included:

- An employee serves as treasurer of the Bradford/Sullivan County Farm Bureau, an economic development agency.
- An employee is vice-chair of the Potter County Housing Authority, which provides affordable housing in Potter County.
- An employee serves as a board member of the North Central Workforce Development Solutions, an economic development agency that provides resources for job seekers in the region.
- An employee serves as a board member of Bradford Tioga Head Start, which provides early childhood education to low- and moderate-income children in the assessment area.
- An employee serves on the board and is the treasurer of the Tioga County Development Corporation, which offers economic development programs and partnerships to spur industrial business expansion and workforce development opportunities.
- An employee serves on the board of the Sayre Enterprise Center, a small business incubator in Bradford County.
- An employee serves as a director and secretary of the Bradford-Tioga Leased Housing Corporation, a non-profit that provides housing for low- and moderate-income individuals and disabled and elderly residents.

It is also noted that First Citizens offers loan servicing to several local economic development agencies including the Progress Authority, which manages the Enterprise Zone in Bradford County, the Sayre UDAG (Urban Development Action Grant) Revolving Loan program, and the Valley Economic Development Authority loan program. During the review period, a total of 49 loans ($4.4 million) were serviced by the bank.

FULL-SCOPE REVIEW ASSESSMENT AREA-
LEBANON, PA MSA ASSESSMENT AREA

DESCRIPTION OF INSTITUTION'S OPERATIONS

Description of Assessment Area

First Citizens' Lebanon, PA MSA assessment area consists of the entirety of Lebanon County, which comprises the Lebanon, PA MSA, plus three census tracts in Berks County (a portion of the Reading, PA MSA), and seven census tracts in Schuylkill County (a portion of the Pottsville, PA Micropolitan Statistical Area). Eight whole political subdivisions make up the Berks County portion of the assessment area, and nine whole political subdivisions comprise the Schuylkill County portion of the Lebanon assessment area. The three counties comprising the assessment area (Lebanon, Berks and Schuylkill) make up First Citizens' south-central region of operations. It is noteworthy that all areas in Lebanon County, except for those in and around the city of Lebanon, are considered to be rural, as are those in Berks and Schuylkill counties.

For the purposes of assessing First Citizens' CRA performance in the Commonwealth of Pennsylvania, the Lebanon assessment area was weighted second, just behind the PA Non-MSA assessment area. Of the bank's total loans, 22% of loans by number, and 19% of loans by dollar amount can be attributed to the Lebanon, PA MSA assessment area. First Citizens operates seven branches in the Lebanon assessment area which hold $245 million in deposits, or 20% of the bank's total deposits as of December 31, 2018.

First Citizens' CRA performance in this assessment area was evaluated in terms of the demographic and business context in which the bank operates.

As of the 2010 Census, there were 41 census tracts in the bank's Lebanon, PA MSA assessment area, none of which were designated as low-income, four of which were moderate-income, 27 of which were middle-income, and 10 of which were upper-income. According to the 2015 ACS data, there was one low-income tract, six moderate-income, 27 middle-income, and seven upper-income census tracts. Using both data years, the low- and moderate-income tracts were clustered around the city of Lebanon, which is the county seat.

Using 2010 Census data, the assessment area's population was 183,178, and using 2015 ACS data, the population grew to 185,313.

According to the FDIC's Summary of Deposits as of June 30, 2018, there were thirteen depository institutions operating branches in First Citizens' Lebanon assessment area. These institutions collectively operated 54 branches maintaining $2.8 billion in deposits. First Citizens, with seven branches, ranked fourth with more than $245 million in deposits, or 9% of the retail deposit market. Fulton Bank, N.A. led the market with 33% of market share, followed by Jonestown Bank and Trust Company with 16% of deposits, and Wells Fargo Bank, N.A., with 13% deposit market share.

First Citizens reports home-mortgage loans pursuant to HMDA, and therefore was compared to the aggregate of all lenders in the assessment area reporting real estate loans pursuant to HMDA. This data is reported annually. According to 2016 data, there were a total of 275 HMDA reporters that originated or purchased 5,272 loans in the Lebanon, PA MSA assessment area. First Citizens ranked twelfth, with 2% of the HMDA market. Wells Fargo, N.A. led the market with 9% of HMDA loans, followed by Fulton Bank, N.A. with 5%, and Lebanon Federal Credit Union with 4% of the HMDA market.

According to 2017 aggregate HMDA data, 4,975 home mortgage loans were collectively originated or purchased by 273 institutions in the assessment area. First Citizens ranked thirteenth, with 2% of the market. Wells Fargo Bank N.A. led the market, reporting 8% of all such loans, followed by Fulton Bank, N.A. (6%), and PennyMac Loan Services, LLC (4%).

Similarly, since the institution reports its small business and small farm loans pursuant to the CRA, it was compared to the aggregate of all lenders operating in the assessment area, which is also reported annually. In 2016, 68 CRA reporters originated or purchased 3,112 small business and small farm loans. First Citizens ranked tenth in the market with 3% of small business and farm loans. Citibank, N.A. ranked first with 15% of the market, followed by U.S. Bank, N.A. with 11%, and American Express Bank, FSB with almost 11%.

According to 2017 aggregate CRA data, the assessment area had a total of 64 small business and small farm reporters in 2017, who collectively originated or purchased 2,895 small business and small farm loans in the bank's assessment area. First Citizens ranked eighth with 5% of the market. U.S. Bank, N.A. led the market, reporting 14% of all such loans, followed by American Express Bank, FSB with 11%, and Capital One Bank USA, N.A. with 9% of all loans originated.

Since CRA data reporting includes small business loans issued under corporate credit card arrangements, the reporters with the highest ranking include national credit card originators such as the ones noted above. In 2017, the top five small business and small farm loan reporters were all national or super-regional banks who have large credit card portfolios. Together, these five institutions held 46% of the CRA lending market in the Lebanon, PA MSA assessment area.

To supplement economic, demographic and performance data, interviews were conducted with two local community organizations, which provided perspective on the credit needs of the Lebanon, PA MSA assessment area. One interview was held with an agency focused on affordable housing and services to low- and moderate-income individuals, and the other was held with an agency focused on economic development within the assessment area. The need for affordable housing was identified as the primary credit need by both interviewees. Additional community needs of skilled workforce development programs, and general revitalization and stabilization for the city Lebanon, were noted. Finally, one contact mentioned the need for transportation to job centers, which are located in industrial parks that are not currently served by public transportation systems.

Economic Characteristics

Lebanon County

Lebanon County comprises the Lebanon, PA MSA, and is also included in the Harrisburg-York-Lebanon, PA Combined Statistical Area. Lebanon County is approximately 70 miles northwest of Philadelphia, which is the nearest major city.

According to Moody's Analytics, the regional economy is in a mid-expansion mode, though job growth slowed as of September 2018. Economic strengths of the Lebanon MSA include affordable housing and low cost of living, good transportation infrastructure and improving migration patterns, resulting in population growth. Weaknesses include a workforce with low educational attainment, an aging workforce and a shortfall of high-wage jobs.

According to Moody's Analytics, the largest employment sectors in the MSA include education and health services and manufacturing, both at 17%, followed by government at 16%, and retail trade at 12%. The largest employers are Sechler Family Foods, The Good Samaritan Hospital, Fort Indiantown Gap, and Veterans Medical Center.

Berks County

The Berks County portion of the bank's assessment area consists of three middle-income census tracts. More broadly, Berks County comprises the entire Reading, PA MSA.

According to Moody's Analytics, the MSA's regional economy is in a late-expansion mode, and is expected to see declines in job growth in the short term. Currently, the MSA's robust manufacturing industry is driving the economy, with factory job growth remaining the fastest in Pennsylvania in 2018. However, the MSA struggles to maintain high-wage jobs, as the management core of the local economy faces challenges. Boscov's department store is headquartered in the MSA, but due to tough online retail competition, management corporate positions are particularly vulnerable. With a relatively low rate of educational attainment, the MSA will likely struggle to attract additional business in higher-wage industries.

Economic strengths of the MSA include its low business and living costs relative to nearby Philadelphia, improving migration patterns, resulting in population growth, strong healthcare presence, and affordable single-family housing values. Weaknesses include a shrinking population of prime-age workers, weak home sales and price appreciation, and worker shortages.

According to Moody's Analytics, the largest employment sectors in the MSA include manufacturing (18%), followed by education and health services (17%), professional and business services (14%), and government (12%). The largest employers are East Penn Manufacturing Company, Inc., Tower Health, Carpenter Technology Corporation, and Supportive Concepts for Families.

Schuylkill County

The Schuylkill County portion of the Lebanon, PA MSA assessment area consists of seven census tracts. According to Data USA, the population of Schuylkill County, PA declined between 2016 and 2017 while median household income grew slightly. According to the PA Department of Labor & Industry Center for Workforce Information and Analysis, the largest employment sectors in Schuylkill County include manufacturing (22%), followed by health care and social assistance (16%), and transportation and warehousing (12%). The largest employers are Wal-Mart Associates, Inc., state government, and Sapa Extrusions, Inc.

The unemployment rates for the counties included in the bank's assessment area are presented in the following table, in comparison with the rates for the Commonwealth of Pennsylvania and the nation as a whole. As illustrated below, unemployment rates in Lebanon and Berks counties are generally in-line with those in the Commonwealth and nation as a whole, while unemployment rates in Schuylkill County exceed both state and national levels.

First Citizens Community Bank Lebanon, PA MSA Assessment Area UNEMPLOYMENT RATES		
Location	**Annual Average 2017 (%)**	**Annual Average 2016 (%)**
Lebanon County	4.1	4.5
Berks County	4.6	5.0
Schuylkill County	5.8	6.2
Commonwealth of Pennsylvania	4.9	5.4
United States	4.4	4.9

*Source: United States Department of Labor, Bureau of Labor Statistics

Housing

2010 Census Data

Based on the 2010 Census, the Lebanon, MSA assessment area contained 75,251 housing units, 71% of which were owner-occupied, 22% of which were rental units, and 6% of which were vacant. The overall owner-occupancy rate in the assessment area (71%) was higher than that in the Commonwealth of Pennsylvania (63%).

The distribution of owner-occupied housing units throughout the assessment area is used as a proxy to estimate demand for residential mortgage lending within such tracts. According to the 2010 Census, no owner-occupied housing was located in low-income census tracts, and only 5% were located in moderate-income tracts. The vast majority of owner-occupied housing was in middle- (68%) and upper-income census tracts (27%).

Of the total existing housing units, 79% were single-family units, 9% were two-to-four family units, 7% were multifamily units, and 6% were mobile homes. The median age of the housing stock was 44 years, which is somewhat younger than in the Commonwealth of Pennsylvania, where the median age of housing is 50 years.

Data show that the price of housing in the assessment area was slightly more affordable than in the Commonwealth overall. The 2010 Census data show that the median value of the housing stock in the assessment area was $155,090, which is lower than the median housing value in Pennsylvania ($159,300). The median housing value in moderate-income tracts was $80,822, compared to $151,134 in middle-income tracts, and $185,245 in upper-income tracts.

Similarly, rents in the assessment area were lower in the assessment area than in Pennsylvania, as a whole. Median gross rent in the Lebanon, PA MSA assessment area was $629, which compares favorably to that in the Commonwealth ($739).

<u>2015 ACS Data</u>

According to the updated 2015 Census data, the Lebanon, PA MSA assessment area contained 76,349 housing units, 68% of which were owner-occupied, 25% of which were rental units, and 7% of which were vacant. The overall owner-occupancy rate in the assessment area (68%) was higher than that in Pennsylvania (61%).

The distribution of owner-occupied housing in the assessment area shifted slightly using 2015 ACS data. According to the 2015 Census data, 1% of owner-occupied housing was located in low-income Census tracts, and 9% was located in moderate-income tracts. Most owner-occupied housing was in middle- and upper-income census tracts (69% and 22%, respectively).

Of the total existing housing units, 80% were single-family units, 8% were two-to-four family units, 7% were multifamily units, and 5% were mobile homes. The median age of the housing stock was 53 years, which was comparable with 54 years for the Commonwealth.

The 2015 ACS data shows that the median value of the housing stock in the assessment area was $162,211, which was lower than the median housing value in Pennsylvania ($166,000). The median housing value in low-income tracts was $77,143, and the median value was $99,075 in moderate-income tracts. Values were considerably higher in the assessment area's middle- and upper-income tracts ($162,701 and $191,940, respectively).

Similarly, median rents were more affordable in the assessment area than in Pennsylvania. Median gross rent in the Lebanon, PA MSA assessment area was $763, which compares favorably to that in the Commonwealth ($840).

Borrower Income Data

<u>2010 Census Data</u>

The percentage of low- and moderate-income families are used as proxies to estimate demand for home-mortgage lending in the assessment area. Of the total families in the assessment area, 16% of families were designated low-income, 18% were moderate-income, 25% were middle-income, and 41% were upper-income. In the assessment area, 6% of families were living below the poverty level, compared to 9% of families living below the poverty level in the Commonwealth overall.

2015 ACS Data

According to 2015 ACS data, 17% of families were designated low-income, 19% were moderate-income, 24% were middle-income, and 40% were upper-income. Of the families in the assessment area, 7% were living below the poverty level, remaining slightly below the measure for the Commonwealth overall (9%).

For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes were classified based upon HUD annually-adjusted median family income data made available by the FFIEC. The assessment area's median family incomes for 2016 and 2017 are listed in the table below, and are categorized by the dollar amounts recognized as low-, moderate-, middle-, and upper-income.

Year	HUD- Adjusted Median Family Income	Low-Income (<50%)	Moderate-Income (50%-less than 80%)	Middle-Income (80%-less than 120%)	Upper-Income (120% or Greater)
2016	$65,200	Less than $32,600	$32,600 - $52,159	$52,160 - $78,239	$78,240 or more
2017	$65,300	Less than $32,650	$32,650 - $52,239	$52,240 - $78,359	$78,360 or more

Geographic Business and Farm Data

2010 Census Data

The percentage of businesses located within designated census tracts is used as a proxy to estimate demand for small business credit within such census tracts. According to business data provided by Dun & Bradstreet, in 2016, no businesses were located in low-income tracts, and 4% were located in moderate-income tracts. The vast majority of businesses were located in middle-income tracts (71%) and upper-income tracts (25%). Business demographic data also revealed that of the 7,297 businesses in the assessment area in 2016, 90% were small businesses with gross annual revenues of $1 million or less.

Similarly, the percentage of total farms located within designated census tracts is used as a proxy to estimate demand for small farm credit within such census tracts. According to business data provided by Dun & Bradstreet in 2016, no farms were located in low- or moderate-income tracts. The vast majority of farms (81%) were located in middle-income tracts, and 19% were located in upper-income tracts. Demographic data also revealed that of the 428 farms in the assessment area in 2016, 98% were small farms with gross annual revenues of $1 million or less.

2015 ACS Data

Using 2017 Dun & Bradstreet data, 1% of businesses were located in the assessment area's one low-income census tract. An additional 14% of businesses were located in moderate-income census tracts, while the majority of businesses (64%) remained in middle-income census tracts. The remaining 21% of businesses were located in upper-income census tracts. Business demographic data also revealed that of the 6,603 businesses in the assessment area in 2017, 89% were small businesses with gross annual revenues of $1 million or less.

Dun & Bradstreet data reveals that in 2017, no farms were located in the assessment area's one low-income census tract, and only 1% of farms were located in moderate-income census tracts. The vast majority of farms (79%) were located in middle-income census tracts, with the remaining 20% of farms located in upper-income census tracts. Demographic data also revealed that of the 369 farms in the assessment area in 2017, 98% were small farms with gross annual revenues of $1 million or less.

The 2016 and 2017 demographics used in evaluating First Citizens' performance under CRA in the Lebanon, PA MSA assessment area are detailed in the tables on the following pages.

First Citizens Community Bank Lebanon, PA MSA Assessment Area Assessment Area Demographics 2016								
Income Categories	**Tract Distribution**		**Families by Tract Income**		**Families < Poverty Level as % of Families by Tract**		**Families by Family Income**	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	7,882	15.8
Moderate-income	4	9.8	4,035	8.1	966	23.9	9,105	18.3
Middle-income	27	65.9	32,953	66.2	1,729	5.2	12,527	25.2
Upper-income	10	24.4	12,773	25.7	358	2.8	20,247	40.7
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**41**	**100.0**	**49,761**	**100.0**	**3,053**	**6.1**	**49,761**	**100.0**
	Housing Units by Tract	**Housing Types by Tract**						
		Owner-occupied			**Rental**		**Vacant**	
	#	#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	6,996	2,920	5.4	41.7	3,235	46.2	841	12.0
Middle-income	49,685	36,258	67.5	73.0	10,774	21.7	2,653	5.3
Upper-income	18,570	14,544	27.1	78.3	2,666	14.4	1,360	7.3
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	**75,251**	**53,722**	**100.0**	**71.4**	**16,675**	**22.2**	**4,854**	**6.5**
	Total Businesses by Tract		**Businesses by Tract & Revenue Size**					
			Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	295	4.0	254	3.9	29	4.9	12	8.6
Middle-income	5,154	70.6	4,643	70.7	412	70.2	99	71.2
Upper-income	1,848	25.3	1,674	25.5	146	24.9	28	20.1
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**7,297**	**100.0**	**6,571**	**100.0**	**587**	**100.0**	**139**	**100.0**
	Percentage of Total Businesses:			**90.1**		**8.0**		**1.9**
	Total Farms by Tract		**Farms by Tract & Revenue Size**					
			Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	345	80.6	339	80.5	6	85.7	0	0.0
Upper-income	83	19.4	82	19.5	1	14.3	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**428**	**100.0**	**421**	**100.0**	**7**	**100.0**	**0**	**0.0**
	Percentage of Total Farms:			**98.4**		**1.6**		**0.0**

2010 Census Data and 2016 D&B Information

First Citizens Community Bank Lebanon, PA MSA Assessment Area Assessment Area Demographics 2017								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	1	2.4	922	1.9	343	37.2	8,402	16.9
Moderate-income	6	14.6	5,675	11.4	1,165	20.5	9,506	19.1
Middle-income	27	65.9	32,988	66.2	1,865	5.7	11,902	23.9
Upper-income	7	17.1	10,249	20.6	359	3.5	20,024	40.2
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**41**	**100.0**	**49,834**	**100.0**	**3,732**	**7.5**	**49,834**	**100.0**
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
	#	#	%	%	#	%	#	%
Low-income	1,701	475	0.9	27.9	1,023	60.1	203	11.9
Moderate-income	10,882	4,442	8.5	40.8	5,575	51.2	865	7.9
Middle-income	48,819	35,705	68.7	73.1	9,632	19.7	3,482	7.1
Upper-income	14,947	11,365	21.9	76.0	2,857	19.1	725	4.9
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	**76,349**	**51,987**	**100.0**	**68.1**	**19,087**	**25.0**	**5,275**	**6.9**
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	56	0.8	53	0.9	2	0.3	1	0.8
Moderate-income	904	13.7	787	13.4	103	17.8	14	10.6
Middle-income	4,253	64.4	3,800	64.5	354	61.0	99	75.0
Upper-income	1,390	21.1	1,251	21.2	121	20.9	18	13.6
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**6,603**	**100.0**	**5,891**	**100.0**	**580**	**100.0**	**132**	**100.0**
	Percentage of Total Businesses:			**89.2**		**8.8**		**2.0**
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	3	0.8	3	0.8	0	0.0	0	0.0
Middle-income	291	78.9	285	78.7	6	85.7	0	0.0
Upper-income	75	20.3	74	20.4	1	14.3	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**369**	**100.0**	**362**	**100.0**	**7**	**100.0**	**0**	**0.0**
	Percentage of Total Farms:			**98.1**		**1.9**		**0.0**

2015 ACS Data and 2017 D&B Information

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The lending test evaluates an institution's lending activities based on the following characteristics:

- Lending activity in the assessment area;
- Borrower distribution of loans, including the distribution of loans to low- and moderate-income borrowers, and businesses and farms of different sizes, including small businesses and farms;

- Geographic distribution of loans, including loans originated in low- and moderate-income census tracts;
- Responsiveness to credit needs of low- income individuals and geographies , and very small businesses and farms;
- Innovativeness and flexibility of lending practices; and
- Community development lending activities.

Performance under the lending test is rated high satisfactory in the Lebanon, PA MSA assessment area.

Lending Activity

First Citizens' lending levels in the Lebanon, PA MSA assessment area reflect good responsiveness to credit needs. During the evaluation period, lending activity in the Lebanon assessment area represented 22% of the bank's overall lending by number of loans, and 19% by dollar volume. During the evaluation period, First Citizens made 218 HMDA loans totaling over $29 million, 146 small farm loans totaling $19 million, and 105 small business loans totaling just under $22 million in the bank's Lebanon, PA MSA assessment area.

Borrower Distribution of Lending

Given the assessment area's demographics and economic characteristics, the borrower distribution of lending reflects, given the product lines offered, good penetration among individuals of different income levels, including low- and moderate-income individuals, farms of different sizes, including small farms, and businesses of different sizes, including small businesses.

It is noted that borrower distribution is given more weight than geographic distribution in this assessment area in driving lending test performance. The demographics of the Lebanon, PA MSA assessment area limit the amount of geographic distribution analysis that can be performed.

Home-Mortgage Lending

First Citizens' borrower distribution of home-mortgage loans lending in the Lebanon assessment area was good.

For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes are classified based upon annually-adjusted median family income data made available by the FFIEC. The respective percentages of low- and moderate-income families in the assessment area are used as proxies to estimate demand for home-mortgage credit. Generally, the higher the percentages of low- and moderate income families in an assessment area, the greater the demand for credit is among low- and moderate-income individuals and families within the assessment area. As noted previously, according to 2010 Census data, 16% of families in the assessment area were low-income, 18% were moderate-income, 25% were middle-income, and 41% were upper-income. Little change was noted as the result of ACS updates. According to 2015 ACS data, in 2017, 17% of assessment area families were low-income, 19% were moderate-income, 24% were middle-income, and 40% were upper-income.

The following tables compare First Citizens' home-mortgage lending to aggregate home-mortgage lending levels, using median family income as a proxy for loan demand.

First Citizens Community Bank Lebanon, PA MSA Assessment Area Distribution of HMDA Loans by Borrower Income Level			
Income Level	% Families by Family Income Level (2010 Census Data)	Aggregate Comparison 2016	
		% First Citizens	% Aggregate Lending
Low	15.8	5.1	6.0
Moderate	18.3	18.8	19.7
Middle	25.2	29.1	22.1
Upper	40.7	43.6	33.1
Unknown	0.0	3.4	19.1
Total	**100%**	**100%**	**100%**

First Citizens Community Bank Lebanon, PA MSA Assessment Area Distribution of HMDA Loans by Borrower Income Level			
Income Level	% Families by Family Income Level (2015 ACS Data)	Aggregate Comparison 2017	
		% First Citizens	% Aggregate Lending
Low	16.9%	8.9	5.7
Moderate	19.1%	17.8	18.8
Middle	23.9%	24.8	24.2
Upper	40.2%	39.6	33.8
Unknown	0.0%	8.9	17.4
Total	**100%**	**100%**	**100%**

Lending to Low-Income Borrowers

Overall, First Citizens' HMDA lending to low-income borrowers was good.

2010 Census Data

First Citizens' HMDA lending to low-income borrowers in 2016 was good. In total, 5% of the bank's HMDA loans (six loans) were originated to low-income borrowers, which was comparable to the aggregate lending level of 6%, but below the proxy of 16%. By loan category, First Citizens originated 3% of its home purchase loans (one loan), 4% of its refinance loans (two loans), 10% of its home improvement loans (three loans), and no multifamily loans to low-income borrowers. In comparison, aggregate lenders made 7% of home purchase loans, 5% of refinance loans, 6% of home improvement loans, and no multifamily loans to low-income borrowers.

2015 ACS Data

In 2017, First Citizens' HMDA lending to low-income borrowers was good. In total 9% of the bank's HMDA loans (nine loans) were originated to low-income borrowers, as compared to the aggregate lending level of 6%, and proxy of 17%. By loan category, First Citizens originated 7% of its home purchase loans (three loans), 8% of its refinance loans (three loans), and 19% of its home improvement loans (three loans) to low-income borrowers. By loan category, aggregate lenders made 5% of home purchase loans, 6% of refinance loans, 8% of home-improvement loans, and no multifamily loans to low-income borrowers.

Lending to Moderate-Income Borrowers

Overall, the bank's lending to moderate-income borrowers was good.

2010 Census Data

In 2016, First Citizens' HMDA lending to moderate-income borrowers was good. In total, 19% of the bank's HMDA loans (twenty-two loans) were originated to moderate-income borrowers, as compared to the aggregate lending level of 20% and proxy of 18%. By loan category, First Citizens originated 21% of its home purchase loans (seven loans), 22% of its refinance loans (twelve loans), 10% of its home improvement loans (three loans), and no multifamily loans to moderate-income borrowers. By loan category, aggregate lenders made 23% of home purchase loans, 16% of refinance loans, 18% of home improvement loans, and no multifamily loans to moderate-income borrowers in 2016.

2015 ACS Data

First Citizens' overall lending to moderate-income borrowers in 2017 was good. In total, 18% of the bank's HMDA loans (eighteen loans) were originated to moderate-income borrowers, as compared to the aggregate lending level of 19% and proxy of 19%. By loan category, First Citizens originated 13% of its home purchase loans (six loans), 22% of its refinance loans (eight loans), 25% of its home improvement loans (four loans), and no multifamily loans to moderate-income borrowers. By loan category, aggregate lenders made 20% of home purchase loans, 16% of refinance loans, 18% of home improvement loans, and no multifamily loans to moderate-income borrowers in 2017.

Small Farm Lending

An analysis of First Citizens' distribution of loans to farms reflects excellent penetration among farm customers of different sizes, including small farms. For purposes of this evaluation, a small farm loan is defined as loans that 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. Due to the volume of originations to farms of different sizes, small farm lending performance in this assessment area is heavier weighted than that of small businesses. More specifically, during the evaluation period, First Citizens made 146 small farm loans totaling $19 million, as compared to 105 small business loans totaling $22 million.

The number of farms operating in the Lebanon, PA MSA assessment area is used as a proxy to estimate demand for farm credit in the assessment area. According to available Dun & Bradstreet farm data, 428 farms were operating in the assessment area in 2016, with 98% designated as small farms reporting revenues of $1 million or less. In 2017, 369 farms were operating in the assessment area, with 98% designated as small farms.

2010 Census Data

In 2016, First Citizens' borrower distribution of small farm loans was good.

In 2016, First Citizens originated 53 small farm loans in the assessment area, aggregating just under $7 million. Of these loans, 83% were originated to small farms. The bank's 2016 lending to small farms exceeded the aggregate lending level of 72% to small farms by all lenders in the assessment area, and fell short of the proxy of 98%.

Small farm loans were further analyzed to determine the extent of loans originated in an amount of $100 thousand or less. Smaller size loans are generally commensurate with the borrowing needs of smaller farms, thus added weight is given to such loans in determining whether an institution is meeting the credit needs of smaller farms. In 2016, 64% of First Citizens' small farm loans in the assessment area were extended in an amount of less than $100 thousand. Aggregate lending data for 2016 shows that 73% of small farm loans made in the assessment area were originated in an amount of $100 thousand or less.

2015 ACS Data

In 2017, borrower distribution of small farm loans was excellent.

In 2017, the bank originated 93 small farm loans, aggregating $12 million in the assessment area. Of these loans, 95% were originated to small farms, which exceeded the aggregate lending level of 73%, and approximated the proxy of 98%.

In 2017, 61% of First Citizens' small farm loans were extended in an amount of $100 thousand or less. The 2017 aggregate lending data shows that 74% of small farm loans made in the assessment area were originated in an amount of $100 thousand or less.

Small Business Lending

An analysis of First Citizens' borrower distribution of small business loans reflects good penetration among business customers of different sizes including small businesses. For purposes of this evaluation, a small business loan is defined as a commercial loan with an origination amount of $1 million or less. Small business loans are further quantified to identify those loans to businesses with gross annual revenues of $1 million or less, namely small businesses.

The number of businesses operating in the Lebanon, PA MSA assessment area is used as a proxy to estimate demand for business credit in the assessment area. According to 2016 Dun & Bradstreet data, 7,297 businesses were operating in the assessment area in 2016, with 90% designated as small businesses reporting revenues of $1 million or less. In 2017, 6,603 businesses were operating in the assessment area, with 89% designated as small businesses.

2010 Census Data

In 2016, the bank's borrower distribution of small business loans was good.

In 2016, First Citizens originated 45 small business loans in the assessment area, aggregating $7 million. Of these loans, 49% were originated to small businesses, which was in-line with the aggregate lending level of 48% to small businesses by all lenders in the assessment area. Both bank and aggregate lenders fell far short of the proxy of 90%.

Small business loans were further analyzed to determine the extent of loans originated in an amount of $100 thousand or less. Smaller size loans are generally commensurate with the borrowing needs of smaller businesses, thus added weight is given to such loans in determining whether an institution is meeting the credit needs of smaller businesses. In 2016, 64% of First Citizens' small business loans in the assessment area were extended in an amount of less than $100 thousand. Aggregate lending data for 2016 shows that 93% of small business loans made in the assessment area were originated in an amount of $100 thousand or less.

2015 ACS Data

In 2017, borrower distribution of small business lending was good.

In 2017, the bank originated 60 small business loans, aggregating $14 million in the assessment area. Of these loans, 50% were originated to small businesses, which again met the aggregate lending level of 50% of loans to small businesses, but trailed the proxy of 89%.

In 2017, 45% of First Citizens' small business loans were extended in an amount of $100 thousand or less. The 2017 aggregate lending data shows that 91% of small business loans made in the assessment area were originated in an amount of $100 thousand or less.

In considering aggregate data, it should be noted that small business data includes credit card loans made by large credit card issuers. Because credit card loans are generally made in smaller amounts, this can skew aggregate small business loan data. As noted previously, many of the top small business lenders in the Lebanon, PA MSA assessment area are national lenders who have large credit card portfolios. This information is taken into account when drawing conclusions about the bank's small business lending in this assessment area.

Geographic Distribution of Lending

Overall, the geographic distribution of loans reflects good penetration throughout the Lebanon, PA MSA assessment area, including in moderate-income census tracts.

Home-Mortgage Lending

Overall, the geographic distribution of the bank's home-mortgage loans is good. As noted earlier, the percentage of owner-occupied housing units contained within designated census tracts is used as a proxy to estimate demand for residential mortgage lending within such tracts. Generally, the greater the number of owner-occupied residential dwellings in a census tract, the greater the demand is for home-mortgage credit in the tract.

According to the 2010 Census data, no owner-occupied housing was located in low-income tracts, and 5% was in moderate-income census tracts. The majority of owner-occupied housing stock was located in the middle-income (68%) and upper-income tracts (27%). Slight change resulted from the 2015 ACS update. Using 2015 ACS data, 1% of owner-occupied housing was located in low-income tracts, 9% was located in moderate-income tracts, 69% in middle-income tracts, and 22% in upper-income tracts.

The tables below present First Citizens' HMDA lending distribution in comparison to the applicable owner-occupied housing proxy and the aggregate lending levels in the assessment area.

First Citizens Community Bank
Lebanon, PA MSA Assessment Area
Geographic Distribution of HMDA Loans

Income Level	% Owner-Occupied Housing Units (2010 Census Data)	Aggregate Comparison	
		2016	
		% First Citizens Lending	% Aggregate Lending
Low	0.0	0.0	0.0
Moderate	5.4	0.9	4.7
Middle	67.5	86.3	63.5
Upper	27.1	12.8	31.8
Unknown	0.0	0.0	0.0
Total	**100.0%**	**100.0%**	**100.0%**

First Citizens Community Bank
Lebanon, PA MSA Assessment Area
Geographic Distribution of HMDA Loans

Income Level	% Owner-Occupied Housing Units (2015 ACS Data)	Aggregate Comparison	
		2017	
		% First Citizens Lending	% Aggregate Lending
Low	0.9	1.0	1.2
Moderate	8.5	8.9	9.9
Middle	68.7	76.2	67.5
Upper	21.9	13.9	21.3
Unknown	0.0	0.0	0.0
Total	**100.0%**	**100.0%**	**100.0%**

Lending in Low-Income Census Tracts

As discussed below, geographic distribution in low-income census tracts was not analyzed, due to assessment area demographics.

2010 Census Data

There were no low-income census tracts in the Lebanon, MSA assessment area as of the 2010 Census, and therefore geographic distribution analysis to low-income areas was not performed in 2016.

2015 ACS Data

Because only one low-income census tract was reported using 2015 ACS data, geographic distribution in low-income geographies was not analyzed, as performance results would not prove to be meaningful in this assessment area.

Lending in Moderate-Income Census Tracts

The geographic distribution of the bank's home-mortgage lending in moderate-income census tracts was good.

2010 Census Data

First Citizens' HMDA lending in moderate-income census tracts in 2016 was poor. In 2016, the bank's lending level of 1% in moderate income-tracts (one loan) was below both the aggregate lending level of 5% and the owner-occupied housing proxy of 5%. First Citizens' only loan made in a moderate-income census tract was a home-purchase loan. Aggregate lending data shows that 6% of all home purchase loans, 3% of all refinance loans, 5% of all home improvement loans, and 18% of all multifamily loans were originated in moderate-income census tracts in 2016.

2015 ACS Data

First Citizens' HMDA lending in moderate-income census tracts in 2017 was good. In 2017, the bank's lending level of 9% in moderate income-tracts (nine loans) was slightly below the aggregate lending level of 10% and matched the owner-occupied housing proxy of 9%. Categorized by loan product type, First Citizens originated 13% of its home purchase loans (six loans), 8% of its refinance loans (three loans), and no home improvement loans or multifamily loans in moderate-income census tracts in the assessment area. Aggregate lending data shows that 10% of all home purchase loans, 10% of all refinance loans, 7% of all home improvement loans, and 35% of all multifamily loans were originated in moderate-income census tracts in 2017.

Small Business Lending

The geographic distribution of First Citizens' loans to businesses reflects adequate penetration throughout the assessment area, in the context of the assessment area's demographic and economic characteristics during the evaluation period.

The geographic distribution of businesses in the assessment area by census tract type is used as a proxy for small business loan demand. Generally, the greater the number of businesses located in a tract, the greater the demand for small business loans in the tract. Based on available business data, in 2016 4% of the assessment area's businesses were located in moderate-income tracts. There were no low-income census tracts in the Lebanon, PA MSA assessment area as of the 2010 Census. In 2017, 1% of businesses in the assessment area were located in the single low-income tract, and 14% of businesses were located in moderate-income tracts.

The tables below present First Citizens' small business geographic lending distribution in comparison to the applicable business proxy and aggregate lending levels in the assessment area.

First Citizens Community Bank Lebanon, PA MSA Assessment Area Geographic Distribution of Small Business Loans			
Census Tract Income Level	% Businesses By Tract Income Level (2010 Census Data)	Aggregate Comparison	
		2016	
		% First Citizens Lending	% Aggregate Lending
Low	0.0	0.0	0.0
Moderate	4.0	0.0	3.2
Middle	70.6	82.2	68.4
Upper	25.3	17.8	27.7
Unknown	0.0	0.0	0.0
Tract Unknown	0.0	0.0	0.7
Total	**100%**	**100%**	**100%**

First Citizens Community Bank Lebanon, PA MSA Assessment Area Geographic Distribution of Small Business Loans			
Census Tract Income Level	% Businesses By Tract Income Level (2015 ACS Data)	Aggregate Comparison	
		2017	
		% First Citizens Lending	% Aggregate Lending
Low	0.8	0.0	0.6
Moderate	13.7	11.7	10.2
Middle	64.4	76.7	66.3
Upper	21.1	11.7	22.3
Unknown	0.0	0.0	0.0
Tract Unknown	0.0	0.0	0.6
Total	**100%**	**100%**	**100%**

Lending in Low-Income Census Tracts

As described below, geographic distribution in low-income census tracts was not analyzed, due to assessment area demographics.

2010 Census Data

There were no low-income census tracts in the Lebanon, PA MSA assessment area in 2016, therefore geographic distribution analysis to low-income geographies was not performed in 2016.

2015 ACS Data

Because only one low-income census tract was reported at the 2015 ACS update, geographic distribution of low-income areas was not analyzed, as performance results would not prove to be meaningful in this assessment area.

Lending in Moderate-Income Census Tracts

Overall, small business lending in moderate-income census tracts was adequate.

2010 Census Data

In 2016, the geographic distribution of the bank's small business lending in moderate-income census tracts was poor. First Citizens originated none of its small business loans in the assessment area's moderate-income census tracts. The bank's lending level was below both the applicable business loan demand proxy of 4%, and the 2016 aggregate small business lending level of 3%.

2015 ACS Data

First Citizens' lending in moderate-income census tracts in 2017 was considered good.

In 2017, the geographic distribution of the bank's small business lending in moderate-income census tracts was good. First Citizens originated 12% of its small business loans (seven loans) in the assessment area's moderate-income census tracts. This was below the applicable business loan demand proxy of 14%, but above the aggregate lending level of 10%.

Small Farm Lending

Geographic distribution of small farm lending was not performed in the Lebanon, PA MSA assessment area due to the demographics of the area. As discussed previously, according to Dun & Bradstreet data, no farms were located in low- or moderate-income census tracts in 2016. In 2017, Dun & Bradstreet data reveal that no farms were located in low-income tracts, and less than 1% of farms were located in moderate-income census tracts, rendering geographic distribution of very little value. However, data on the bank's lending is included in Appendix D, for reference.

Responsiveness to Credit Needs

First Citizens exhibits an adequate record of servicing the credit needs of the most economically disadvantaged areas of its assessment area, including low-income borrowers and very small businesses, consistent with safe and sound banking practices.

Community contacts indicated a need for affordable housing in the assessment area. As indicated previously, the bank's HMDA lending to low- and moderate-income borrowers was good. Though loans volumes were modest, this does show an adequate responsiveness to affordable housing needs. Additionally, the bank originated one FHA loan, and one Home Possible loan, both flexible home loan programs serving low- and moderate-income borrowers.

Innovative and/or Flexible Lending Practices

First Citizens makes limited use of innovative and/or flexible lending practices in serving assessment area credit needs.

In an effort to address the credit needs of low- and moderate-income borrowers in its assessment area, the bank offers several mortgage products for first-time homebuyers. In the Lebanon, PA MSA assessment area, First Citizens originated one FHA loan for just under $162 thousand, and one Home Possible loan for $180 thousand.

To address the credit needs of small businesses and small farms in its assessment area, First Citizens participates in three loan programs through the SBA loan program, the USDA, and the FHLB. During the evaluation, the bank made one SBA loan totaling $150 thousand, and five USDA FSA loans totaling over $1.7 million in the Lebanon, PA MSA assessment area.

Community Development Lending

First Citizens makes an adequate level of community development loans in the assessment area. During the period evaluated, the bank made one new community development loan totaling $500 thousand[12], in the assessment area. The loan was for economic development purposes, and was specifically designated to serve the Lebanon, PA MSA and Lancaster, PA MSA assessment areas.

It is noted that the Lebanon, PA MSA assessment area was added to First Citizens' assessment area in 2016, following the 2015 acquisition of the First National Bank of Fredericksburg, which was taken into consideration in evaluating community development loans in this assessment area.

INVESTMENT TEST

The investment test evaluates a financial institution's level of qualified investments that serve low- or moderate-income areas or individuals, together with the innovativeness and complexity of such investments. Qualified investments made prior to the previous evaluation, which are still outstanding, are considered under the test. For purposes of the CRA, the term qualified investment has been defined to include: a lawful investment; deposit; membership share; or grant, including a donation or in-kind contribution of property that has as its primary purpose, community development.

Performance under the investment test is assessed as needs to improve.

[12] A $1 million community development loan to the Community First Fund was allocated evenly between the Lebanon, PA MSA assessment area and the Lancaster, PA MSA assessment area, with each receiving $500 thousand.

Volume of Investment and Grant Activity

First Citizens has a poor level of qualified community development investments, donations and grants. The Lebanon PA MSA assessment area was added to the bank's assessment area in 2016. At the prior evaluation, performance was not evaluated by examiners due to the short duration of time the bank had been in the market. During the current evaluation, investments, grants, and donations totaled $61 thousand in the Lebanon, PA MSA assessment area, representing 6% of the bank's overall investment and grant activity. In contrast, nearly one-quarter of the bank's Pennsylvania deposits, lending activity, and operations occur in this assessment area.

In this assessment area, First Citizens purchased one investment under the Pennsylvania Resource Enhancement and Protection Program (REAP) for best management practices implementation for Pennsylvania's farmers, many of which are small farmers. The qualifying investment totaled just over six thousand dollars, and helped to promoted economic development through the financing of small farms in the Lebanon, PA MSA assessment area.

Additionally, the bank made just under $55 thousand in grants and donations, of which six were tax credits, four for community services to low- and moderate-income individuals, and two for economic development. Of the 30 grants and donations made, 2% of the dollars were allocated to affording housing initiatives, 67% to community services to low- and moderate-income individuals, and the remaining 31% to economic development through the financing of small businesses and farms.

Responsiveness to Credit and Community Development Needs

First Citizens' investments exhibit poor responsiveness to credit and community development needs of the assessment area.

Grants and donations primarily went to organizations in support of community services targeting low- and moderate-income individuals and economic development initiatives within the assessment area. Conversely, community contacts described community needs in the Lebanon, PA MSA assessment area as being centered around affordable housing, skilled workforce development, school system funding, and revitalization and stabilization efforts.

Community Development Initiatives

First Citizens makes rare use of innovative and/or complex investments to support community development initiatives.

As previously noted, the majority of investment dollars in the Lebanon, PA MSA assessment area consisted of donations, which are not particularly innovative or complex methods of community development investment.

SERVICE TEST

The service test evaluates the financial services provided by a financial institution using the following characteristics:

- the accessibility of delivery mechanisms within an assessment area, including the distribution of an institution's branch offices and alternative delivery mechanisms;
- the impact of changes in branch locations upon low- and moderate-income census tracts or low- and moderate-income persons in the assessment area;
- the reasonableness of business hours and services in meeting assessment area needs; and
- the extent to which an institution provides community development services.

Performance under the service test is assessed as high satisfactory in the assessment area.

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to the bank's geographies and individuals of different income levels in its Lebanon, PA MSA assessment area.

During the review period, First Citizens operated seven full-service branches in the Lebanon, PA MSA assessment area. No branches were located in low- or moderate-income tracts, while five branches (71%) were located in middle-income tracts, and two branches (29%) were located in upper-income tracts. The following table details the location of the bank's branches with comparison to 2015 ACS population demographics, and shows that the branches are generally proximate to areas where the majority of the population resides.

First Citizens Community Bank
Retail Branch Distribution
Lebanon, PA MSA Assessment Area
2015 ACS Data

Census Tract Type	Number of Branches	Percent of Branches	Percent of Population
Low-income	0	0.0	2.6
Moderate-income	0	0.0	13.1
Middle-income	5	71.4	65.0
Upper-income	2	28.6	19.3
Totals	**7**	**100.0%**	**100.0%**

All seven of First Citizens' branch locations in the assessment area are equipped with ATMs which provide electronic access to banking services.

To supplement traditional banking services, First Citizens provides online banking services, telephone banking services and a smart phone mobile banking application, which includes remote deposit capture capabilities. Using online banking services, bank customers can pay bills, open accounts and apply for loan products via the bank's website at https://www.firstcitizensbank.com.

Changes in Branch Locations

The bank did not open or close any branches in the Lebanon, PA MSA assessment area during the evaluation period, and therefore this component of the service test was not evaluated in this assessment area.

Reasonableness of Business Hours and Services in Meeting Assessment Area Needs

Services do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income census tracts or individuals.

As mentioned above, all of First Citizens' branches in the assessment area include ATMs, which are equipped with both English and Spanish languages. All branches offer drive-through services, and four of the seven also have lobby hours.[13] All seven branches operate Monday through Friday, with extended hours on Thursday and/or Friday. Additionally, all branches in the assessment area offer Saturday morning hours.

Bank Products

First Citizens offers a deposit product that provides greater access to banking services for low- and moderate-income customers. The bank's free checking account is a consumer account with no minimum daily balance requirement, and no monthly service fee.

The bank also offers a business checking account for small businesses with limited transaction activity. The account offers 400 free deposit items, and up to 50 paid checks with no monthly service charge if the monthly minimum balance of $800 is maintained. The bank charges twenty-five cents each for additional items. This account allows very small businesses access to banking services. Finally, First Citizens offers merchant card services to businesses, which allows them to accept payments from all major credit and debit cards, thus eliminating long waits between receivables and collecting NSF checks.

Community Development Services

First Citizens provides a relatively high level of community development services in this assessment area.

First Citizens provides a relatively high level of community development services in the Lebanon, PA MSA assessment area. First Citizens conducted a number of affordable housing, small business, and financial literacy workshops throughout this assessment area, that were targeted to low- and moderate individuals, geographies, and small businesses.

[13] Lobby hours are not available at the Lebanon North Seventh Street or Isabel Drive locations, or at the Schuylkill Haven branch.

Additionally, over the evaluation period, bank officers and employees served in various capacities on boards and committees, and provided technical assistance to numerous community and economic development organizations. Some notable examples included:

- An employee serves as the vice-chair of the Affordable Housing Council of the Lebanon County Redevelopment Authority.
- An employee serves on the loan committee of the Lebanon Valley Economic Development Corporation, an economic development agency.
- An employee provides volunteer tax assistance to low- and moderate-income individuals in the county.

LIMITED-SCOPE REVIEW ASSESSMENT AREA-LANCASTER, PA MSA ASSESSMENT AREA

A limited-scope review of the bank's performance in the Lancaster, PA MSA assessment area was conducted. During the evaluation period, lending activity in the Lancaster, PA MSA assessment area represented 9% of the bank's overall lending by number of loans and 15% by dollar amount. The assessment area holds $8 million in deposits, or less than 1% of the bank's total deposits as of December 31, 2018. For purposes of assessing the institution's overall performance, greater weight was given to the bank's performance in the full-scope review assessment areas, particularly in the Commonwealth of Pennsylvania, where the majority of the bank's operations are located.

The bank's performance in the Lancaster, PA MSA assessment area generally is consistent with its performance in the full-scope review assessment areas, though as seen in the table below, lending performance is slightly below that in the full-scope assessment areas. The facts and data reviewed, including performance and demographic information, are presented in the tables located in the Appendices. Conclusions regarding performance are as follows:

ASSESSMENT AREA	LENDING TEST	INVESTMENT TEST	SERVICE TEST
Lancaster PA, MSA Assessment Area	Below	Consistent	Consistent

DESCRIPTION OF INSTITUTION'S OPERATIONS

First Citizens operates two branches in the Lancaster, PA MSA assessment area. This assessment area consists of Lancaster County, PA, which encompasses the entire Lancaster MSA. The Lancaster assessment area is situated in the southeastern Pennsylvania market, and is part of the south-central region of the bank's overall footprint. The Lancaster, PA MSA was added to the bank's CRA assessment area in 2017. Immediately preceding the previous CRA evaluation, First Citizens entered the Lancaster market as a result of the bank opening a branch in Mt. Joy, PA in September 2016. Since the bank had been in the Lancaster market for a short duration of time, examiners did not evaluate performance in the assessment area at the previous evaluation. The bank opened its second full service branch in the Lancaster assessment area in February 2019 in Denver, Lancaster County, PA. Both branches are located in middle-income tracts.

In the 2010 Census, the assessment area consisted of 98 census tracts, six of which were designated as low-income, 12 of which were moderate-income, 69 of which were middle-income, and 11 of which were upper-income tracts. All six low-income tracts, and eight of the twelve moderate-income tracts, were located in the city of Lancaster, the largest urban center in the MSA. Thirteen percent of the assessment area's population resided within the low- and moderate-income census tracts in the assessment area. According to 2010 Census data, the assessment area has a population of 519,445 and is considered urban. The Lancaster, PA MSA assessment area is the most highly populated assessment area of First Citizens' footprint. Little change was noted with updated 2015 ACS data, with the exception of two previous middle-income tracts migrating to moderate-income designations at the time of the update.

First Citizens' performance was evaluated in terms of the demographic and business context in which the bank operates. According to the FDIC's Summary of Deposits, as of June 30, 2018, there were 22 depository institutions operating in Lancaster County. These institutions maintained a total of 187 branch offices holding $11 billion in deposits. First Citizens ranked twentieth, with nearly $8 million (less than 1%) of the retail deposit market. Fulton Bank, N.A. had a strong presence in the market, and ranked first with 28% of the market, followed by Branch Banking and Trust Company (BB&T), with 19% of the market, and PNC Bank, N.A., with 13%.

Similarly, First Citizens was a minor player in the HMDA market, holding less than 1% of the market in both 2016 and 2017. With regard to small business and small farm lending, First Citizens ranked twenty-sixth out of ninety-nine CRA data reporters in 2016, with less than 1% of the market. In 2017, the bank's small business and small farm lending increased by number, but First Citizens still maintained less than 1% of the market.

According to Moody's Analytics, leading industries in the Lancaster assessment area include education and health services (18%), manufacturing (15%), retail trade (11%), and leisure and hospitality (10%). The largest employers are Lancaster General Hospital and Medical Group, Chartwell Staffing Services, Inc., and Dart Container Company.

An interview was conducted with a community development and housing agency to provide perspective on the credit needs in the Lancaster assessment area. This information was supplemented with demographic and economic data pertinent to the assessment area. According to the community contact, the most noteworthy credit need in the Lancaster assessment area is affordable housing loans. Additionally, the contact noted that the development of skilled labor (workforce development) is an unmet community need.

Tables showing the assessment area demographics of the Lancaster, PA MSA assessment area in 2016 and 2017 are contained on the following pages.

First Citizens Community Bank Lancaster, PA MSA Assessment Area Assessment Area Demographics 2016								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	6	6.1	4,687	3.5	1,756	37.5	23,580	17.4
Moderate-income	12	12.2	9,397	6.9	1,671	17.8	25,872	19.1
Middle-income	69	70.4	104,708	77.2	5,186	5.0	33,623	24.8
Upper-income	11	11.2	16,924	12.5	442	2.6	52,641	38.8
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**98**	**100.0**	**135,716**	**100.0**	**9,055**	**6.7**	**135,716**	**100.0**
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
	#	#	%	%	#	%	#	%
Low-income	9,537	2,490	1.9	26.1	6,042	63.4	1,005	10.5
Moderate-income	17,542	8,718	6.5	49.7	7,702	43.9	1,122	6.4
Middle-income	149,067	104,734	78.0	70.3	38,850	26.1	5,483	3.7
Upper-income	23,819	18,406	13.7	77.3	4,532	19.0	881	3.7
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	**199,965**	**134,348**	**100.0**	**67.2**	**57,126**	**28.6**	**8,491**	**4.2**
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	1,194	5.1	1,024	4.9	160	7.3	10	4.2
Moderate-income	1,298	5.6	1,170	5.6	111	5.1	17	7.1
Middle-income	17,750	76.2	15,974	76.6	1,594	72.9	182	76.2
Upper-income	3,043	13.1	2,690	12.9	323	14.8	30	12.6
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**23,285**	**100.0**	**20,858**	**100.0**	**2,188**	**100.0**	**239**	**100.0**
	Percentage of Total Businesses:			**89.6**		**9.4**		**1.0**
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	1	0.1	1	0.1	0	0.0	0	0.0
Moderate-income	3	0.3	3	0.3	0	0.0	0	0.0
Middle-income	1,047	91.8	1,009	91.6	38	97.4	0	0.0
Upper-income	89	7.8	88	8.0	1	2.6	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**1,140**	**100.0**	**1,101**	**100.0**	**39**	**100.0**	**0**	**0.0**
	Percentage of Total Farms:			**96.6**		**3.4**		**0.0**

2010 Census Data and 2016 D&B Information

First Citizens Community Bank Lancaster, PA MSA Assessment Area Assessment Area Demographics 2017								
Income Categories	**Tract Distribution**		**Families by Tract Income**		**Families < Poverty Level as % of Families by Tract**		**Families by Family Income**	
	#	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Low-income	6	6.1	4,407	3.2	1,708	38.8	25,060	18.3
Moderate-income	14	14.3	12,532	9.1	1,781	14.2	26,380	19.2
Middle-income	67	68.4	102,889	75.0	6,108	5.9	31,628	23.1
Upper-income	11	11.2	17,305	12.6	397	2.3	54,065	39.4
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**98**	**100.0**	**137,133**	**100.0**	**9,994**	**7.3**	**137,133**	**100.0**
	Housing Units by Tract	**Housing Types by Tract**						
		Owner-occupied			**Rental**		**Vacant**	
	#	**#**	**%**	**%**	**#**	**%**	**#**	**%**
Low-income	8,182	2,131	1.6	26.0	5,218	63.8	833	10.2
Moderate-income	23,282	11,893	8.8	51.1	9,716	41.7	1,673	7.2
Middle-income	148,916	102,334	76.1	68.7	40,099	26.9	6,483	4.4
Upper-income	25,207	18,190	13.5	72.2	5,749	22.8	1,268	5.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	**205,587**	**134,548**	**100.0**	**65.4**	**60,782**	**29.6**	**10,257**	**5.0**
	Total Businesses by Tract		**Businesses by Tract & Revenue Size**					
			Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**	
	#	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Low-income	824	3.9	715	3.8	104	4.7	5	2.5
Moderate-income	2,178	10.3	1,872	10.0	288	13.1	18	9.1
Middle-income	15,648	74.1	13,921	74.3	1,573	71.4	154	77.8
Upper-income	2,476	11.7	2,217	11.8	238	10.8	21	10.6
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**21,126**	**100.0**	**18,725**	**100.0**	**2,203**	**100.0**	**198**	**100.0**
	Percentage of Total Businesses:			**88.6**		**10.4**		**0.9**
	Total Farms by Tract		**Farms by Tract & Revenue Size**					
			Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**	
	#	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Low-income	1	0.1	1	0.1	0	0.0	0	0.0
Moderate-income	8	0.8	8	0.8	0	0.0	0	0.0
Middle-income	913	89.3	876	89.4	37	88.1	0	0.0
Upper-income	100	9.8	95	9.7	5	11.9	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**1,022**	**100.0**	**980**	**100.0**	**42**	**100.0**	**0**	**0.0**
	Percentage of Total Farms:			**95.9**		**4.1**		**0.0**

2015 ACS Data and 2017 D&B Information

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

The bank's performance in this assessment area is consistent with the institution's lending, is consistent with the institution's investment, and is consistent with the performance overall in the state.

LENDING TEST

The bank's lending in this assessment area is below the bank's lending in full-scope review assessment areas in the Commonwealth of Pennsylvania.

Home-Mortgage Lending

During 2016, First Citizens originated 15 HMDA loans aggregating $2.2 million. The bank's HMDA lending to low- (7%) and moderate-income borrowers (7%) is below both the proxy of low- (18%) and moderate-income families (19%). First Citizens' lending to low- and moderate-income borrowers exceeded aggregate lending to low-income borrowers (6%), but significantly trailed aggregate lending to moderate-income borrowers (20%). Geographic distribution of HMDA loans outperformed both the proxy of owner-occupied housing in such tracts and aggregate lending levels (both measures at 2% and 7% respectively). The bank made 7% of HMDA loans in low-income geographies, and 13% in moderate-income geographies in 2016.

During 2017, First Citizens originated 32 HMDA loans aggregating $12 million. As in 2016, the bank's HMDA lending to low-and moderate-income borrowers (3% and 16%, respectively) is below both the proxy of low- and moderate-income families (18% and 19%, respectively), and aggregate lending levels (7% and 20%, respectively). From a geographic distribution standpoint, the bank made 6% of HMDA loans in low-income geographies, and 16% in moderate-income geographies. This geographic distribution outperformed both the proxy of owner-occupied housing in such tracts (2% and 9% respectively) and aggregate lending levels (2% and 11% respectively).

Small Business Lending

In 2016, First Citizens originated nine small business loans aggregating $2.2 million. Of these loans, 56% were originated to small businesses, which exceeded the aggregate lending level of 45% to small businesses by all lenders in the assessment area, but was lower than the proxy of 90%. From a geographic perspective, none of the bank's small business loans were originated in the assessment area's low-income tracts, and 11% were made in moderate-income tracts. Though lending in low-income tracts was below the proxy of business located in such tracts (5%) and aggregate performance (4%), the bank's lending in moderate-income tracts exceeded both proxy (6%) and aggregate (5%) in moderate-income census tracts.

In 2017, First Citizens originated 23 small business loans aggregating $5.4 million. Of these loans, 70% were originated to small businesses, which exceeded the aggregate lending level of 51% to small businesses by all lenders in the assessment area, but was lower than the proxy of 89%. Geographically, none of the small business loans were made in low-income tracts, and 4% were made in the assessment area's moderate-income tracts. This geographic distribution is below both the proxy of businesses in such tracts (4% and 10%, respectively), and aggregate lending levels (3% and 9% respectively).

Small Farm Lending

In addition to HMDA and small business loans, small farm loans were also evaluated in the Lancaster PA, MSA assessment area, due to their volume. In 2016, First Citizens originated 61 small farm loans aggregating $10.1 million. Of these loans, 82% of the bank's small farm loans were made to farms with revenues less than $1 million, which is below the proxy of farms in such tracts (97%), while matching aggregate lending levels of 82%. Geographic distribution analysis was not performed, as less than 1% of farms were located in low- and moderate-income tracts, per demographic data.

In 2017, First Citizens originated 57 small farm loans aggregating $8.8 million. Of these loans, 90% of the bank's small farm loans were made to farms with revenues less than $1 million, which is below the proxy of farms in such tracts (96%), while exceeding aggregate lending levels of 82%. Again, geographic analysis of small farm loans was eliminated, since less than 1% of farms were located in low- and moderate-income tracts in 2017.

Innovative and/or Flexible Lending Practices and Community Development Lending

Within the Lancaster, PA MSA assessment area, First Citizens made two loans through the Home Possible loan program totaling almost $297 thousand, and two USDA FSA loans totaling nearly $193 thousand.

Additionally, during the period evaluated, the bank made one new community development loan totaling $500 thousand[14] for economic development/affordable housing.

It is noted that the Lancaster, PA MSA assessment area was added to First Citizens' assessment area in 2016, as the result of a branch opening in Mount Joy, PA. As such, this is the first CRA performance evaluation for this assessment area, which was taken into consideration in evaluating community development loans in this assessment area.

INVESTMENT TEST

The bank's investment performance in the Lancaster, PA MSA assessment area is consistent with that in the full-scope assessment areas in the Commonwealth of Pennsylvania, particularly performance in the other newly added assessment area, the Lebanon, PA MSA assessment area. First Citizens made eighteen donations totaling $52 thousand in the Lancaster, PA MSA assessment area. The donations supported activities focused upon affordable housing (24%, or almost $13 thousand); community services targeting low- and moderate-income individuals (28%, or just under $15 thousand); and economic development (48%, or $25 thousand).

SERVICE TEST

The bank's service performance in the Lancaster, MSA assessment area is consistent with the bank's service test performance overall. In February 2019, the bank opened a branch location in Denver, PA, bringing the total number of branches in this assessment area to two. Both branch locations were located within middle-income census tracts in the Lancaster, MSA assessment area, where 74% of the population resides. Furthermore, retail services offered through the two branches in the assessment area were consistent with those offered in the full-scope review areas. In addition, the bank conducted community development services with bank staff participating as board members of community development organizations in Lancaster County, and provided small business and homeownership workshops throughout the assessment area.

[14] A $1 million community development loan to the Community First Fund was allocated evenly between the Lebanon, PA MSA assessment area and the Lancaster, PA MSA assessment area, with each receiving $500 thousand.

STATE OF NEW YORK / FULL-SCOPE REVIEW ASSESSMENT AREA- NY NON-MSA ASSESSMENT AREA

STATE RATING

Performance Test	Performance Level
Lending	Low Satisfactory
Investment	Needs to Improve
Service	Low Satisfactory
Overall	Needs to Improve

SUMMARY OF MAJOR FACTORS SUPPORTING RATING

- Lending levels reflect adequate responsiveness to assessment area credit needs;
- The distribution of borrowers reflects, given the product lines offered, adequate penetration among customers of different income levels;
- The geographic distribution of loans reflects good penetration throughout the assessment area;
- The bank exhibits an adequate record of serving the credit needs of low-income individuals and areas and very small businesses;
- The bank makes little use of innovative and/or flexible lending practices;
- The bank makes few, if any community development loans;
- The bank has a poor level of qualified community development investments and grants; and
- The bank provides an adequate level of community development services.

SCOPE OF EXAMINATION

For purposes of this CRA evaluation, the state rating is based solely on the bank's performance in the NY Non-MSA assessment area, which was evaluated using full-scope review procedures First Citizens' one branch location in the NY Non-MSA assessment area (located in Wellsville, NY) is its only branch presence in New York.

First Citizens' CRA performance in New York was evaluated for the period from October 25, 2016 through July 8, 2019. The lending, investment, and service tests were applied in assessing the bank's performance under the CRA. Under the lending test, loan products evaluated included HMDA loans, and other loans that qualified as community development. Due to low loan volumes, small business and small farm loans were not included in borrower and geographic lending analyses, as they would not be sufficient to provide a meaningful analysis, and would not have had a significant effect on the bank's overall performance in the NY Non-MSA assessment area. However, data on small business and small farm loans is included in Appendix D, for contextual purposes.

DESCRIPTION OF INSTITUTION'S OPERATIONS

Description of Assessment Area

First Citizens' NY Non-MSA assessment area consists of Allegany County, which is located in a nonmetropolitan area of New York, and borders Pennsylvania. According to 2010 Census data, the county had a population of 48,946 and is considered very rural. Using updated 2015 ACS data, the assessment area's population decreased slightly, to 48,070. The NY Non-MSA assessment area is the least populated assessment area of the whole First Citizens footprint.

For the purposes of assessing First Citizens' overall CRA performance, the least amount of weight was given to performance in the NY Non-MSA assessment area, due to its limited presence in the assessment area and the state, and the low volume of HMDA, small business and small farm loans made in this assessment area. First Citizens operates one branch in this assessment area, which holds $37 million in deposits, accounting for less than 4% of the bank's total deposits as of December 31, 2018.

First Citizens' CRA performance in this assessment area was evaluated in terms of the demographic and economic business context in which the bank operates, which is discussed below.

At the 2010 Census, Allegany County was comprised of 13 census tracts, including one moderate-income census tract, eleven middle-income tracts, and one tract for which income level was unknown. The unknown-income tract is Oil Springs, an Indian reservation located on the western border of the county. The moderate-income tract is located in the middle of the county, and includes the town of Belmont, which is the county seat. There were no changes in the distribution of census tracts using updated 2015 ACS data.

According to the FDIC's Summary of Deposits as of June 30, 2018, there were five depository institutions operating branches in Allegany County. These institutions maintained a total of 19 branches holding $588 million in deposits. First Citizens, with one branch, ranked fourth with nearly $38 million in deposits, or 6% of the retail deposit market. Community Bank, N.A., held the largest share of deposits with 48% of the market. Steuben Trust Company, ranked second with a market share of 35%, and Five Star Bank ranked third, with 8% of deposit market share.

First Citizens reports home-mortgage loans pursuant to HMDA, and therefore, HMDA lending was compared to the aggregate of all lenders in the assessment area reporting real estate loans pursuant to HMDA. This data is reported annually. According to 2016 aggregate data, there were a total of 65 HMDA reporters that originated or purchased 703 loans in the NY Non-MSA assessment area. First Citizens ranked eighth, with 2% of the market. Community Bank, N.A. led the market with almost 41% of HMDA market share, followed by Steuben Trust Company, with almost 9%, and ServU Federal Credit Union, with 7% of the HMDA loan market.

According to 2017 aggregate HMDA data, 726 home mortgage loans were collectively originated by 66 institutions in the assessment area. First Citizens ranked fifth among home mortgage reporters, with almost 5% of the market. Community Bank, N.A., was the largest HMDA reporter in the assessment area, reporting 41% of all such loans. As in 2016, Steuben Trust Company ranked second with 9% market share, followed by ServU Federal Credit Union, also with 9% of the HMDA market.

To supplement the demographic and economic data for the NY Non-MSA assessment area, two interviews were conducted with local community organizations to provide perspective on the credit needs of the NY Non-MSA assessment area. One interview was held with a community action agency, and another interview was conducted with an economic development organization. Both contacts described the assessment area's economy as being stagnant, and noted that the most pressing credit and community need related to affordable housing. In particular, one contact described the community as suffering from aging housing stock where 60% was built prior to 1960, and where quality rental properties are difficult to find for low- and moderate-income individuals. In addition, the needs for small business, entrepreneur, and workforce development were noted as community needs.

Economic Characteristics

Allegany County is located on the southern border of New York, in the Allegany Mountains. The county, primarily rural and scattered with mountain ranges and state forest land, is a recreation destination for hunting, fishing, hiking, canoeing and skiing. Belmont is the county seat, and the Oil Springs Reservation is located at the western end of Allegany County. It borders Cattaraugus, Wyoming, Livingston and Steuben counties in New York State, and McKean and Potter counties in Pennsylvania. The largest industries in Allegany County, NY are Educational Services (17.7%), Manufacturing (15.6%), and Health Care & Social Assistance (14.7%). The highest paying industries are Mining, Quarrying, & Oil & Gas Extraction, Utilities, and Professional, Scientific, & Technical Services. Allegany County is home to the Alfred State College of Technology, Alfred University, and Houghton College. Key industry sectors include Educational Services, Manufacturing, and Health Care & Social Assistance.

Area unemployment rates are notably higher in the assessment area than in both and New York and the nation as a whole, as seen in the following table.

First Citizens Community Bank NY Non–MSA Assessment Area UNEMPLOYMENT RATES (Not Seasonally Adjusted)		
Location	Annual Average 2017 (%)	Annual Average 2016 (%)
Allegany County	6.6	6.3
New York	4.7	4.9
United States	4.4	4.9

* Source: United States Department of Labor, Bureau of Labor Statistics

Housing

2010 Census Data

At the 2010 Census, the NY Non-MSA assessment area contained 25,908 housing units, of which 55% were owner-occupied, 18% were rental units, and 27% were vacant. The overall owner-occupancy rate in the assessment area (55%) was slightly higher than in the State of New York as a whole (49%).

The distribution of owner-occupied housing units throughout the assessment area is used as a proxy to estimate demand for residential mortgage lending within such tracts. According to the 2010 Census, 8% of owner occupied units in the assessment area are located in moderate-income census tracts, and 92% are in middle-income tracts. There are no low-income or upper-income census tracts in the assessment area.

Single family units comprised 71% of the total housing units in the assessment area, while two-to-four family units comprised 8%, multifamily units comprised 4%, and mobile homes comprised 17%. The median age of the housing stock was 50 years, indicating a potential need for home-improvement loans for rehabilitation of the assessment area's housing stock, which was also supported by comments gathered through community contacts. Though high, at 50 years, the median age of housing stock in the assessment area compares favorably to New York as a whole, at 55 years.

According to 2010 Census data, the median housing value in the assessment area was $66,053 and is significantly lower than the median housing value of $303,900 in New York. In moderate-income tracts, the median housing value was $57,230, while median housing value was $66,951 in middle-income tracts. Finally, based on 2010 Census data, 76% of the assessment area's housing units were valued at less than $100 thousand, making housing significantly more affordable than New York as a whole, where 19% of housing units were valued at less than $100,000.

Similarly, rents in the assessment area were also considerably lower than in the State as a whole. Using 2010 Census data, median rent in the assessment area was $568, with 44% of renters paying more than 30% of their income for housing. Comparatively, the median rent in New York was significantly higher at $977, with 49% of renters paying more than 30% of their income for housing.

2015 ACS Data

Using updated 2015 ACS data, the assessment area contained 26,024 housing units, 51% of which were owner-occupied, 19% of which were rental units, and 30% of which were vacant. The overall owner-occupancy rate in the assessment area (51%) was slightly greater than in the State of New York (48%).

The distribution of owner-occupied housing units in the assessment area remained unchanged using 2015 ACS data. As with the 2010 Census, 8% of owner-occupied units were located in moderate-income tracts, while 92% of such units were located in middle-income tracts. No owner-occupied housing was located in low- or upper-income tracts.

Single family units comprised 72% of housing units in the assessment area, while 8% of units were two-to-four family units, 4% were multifamily units, and 16% were mobile homes. The median age of housing units rose to 57 years, compared with 59 for the State as a whole.

Once again, median housing values and rents were more affordable in the assessment area than in the State as a whole. The median housing value in the assessment area was $70,286, compared to $283,400 for the State. Similarly, median rent in the assessment area ($606) was much lower than in New York ($1,132).

Borrower Income Data

2010 Census Data

The percentage of low- and moderate-income families is used as a proxy to estimate demand for home mortgage lending in the assessment area. Of the total families in the assessment area, 22% were designated as low-income, 20% were moderate-income, 23% were middle-income, and 35% were upper income. In the assessment area, families living below the poverty level represented 11% of total families, which was comparable to the same measure in the State of New York overall.

2015 ACS Data

According to 2015 ACS data, 22% of families in the assessment area were designated low-income, 22% were moderate-income, 23% were middle-income, and 33% were upper income. Of total families, 12% were living below the poverty level in the assessment area, which is comparable to the same measure in New York overall.

For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes were classified based upon HUD annually-adjusted median family income data made available by the FFIEC.

The assessment area's HUD-adjusted median family incomes for 2016 and 2017 are listed in the table below, and are categorized by the dollar amounts recognized as low-, moderate-, middle-, and upper-income.

Year	HUD-Adjusted Median Family Income	Low-Income (<50%)	Moderate-Income (50%-less than 80%)	Middle-Income (80%-less than 120%)	Upper-Income (120% or Greater)
2016	$58,900	Less than $29,450	$29,450 - $47,119	$47,120 - $70,679	$70,680 or more
2017	$62,500	Less than $31,250	$31,250 - $49,999	$50,000 - $74,499	$75,000 or more

The 2016 and 2017 assessment area demographics used to evaluate First Citizens' CRA performance in the NY Non-MSA assessment area are detailed in the tables on the following pages.

First Citizens Community Bank NY Non-MSA Assessment Area Assessment Area Demographics 2016								
Income Categories	**Tract Distribution**		**Families by Tract Income**		**Families < Poverty Level as % of Families by Tract**		**Families by Family Income**	
	#	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Low-income	0	0.0	0	0.0	0	0.0	2,753	21.9
Moderate-income	1	7.7	1,065	8.5	177	16.6	2,553	20.3
Middle-income	11	84.6	11,522	91.5	1,227	10.6	2,943	23.4
Upper-income	0	0.0	0	0.0	0	0.0	4,338	34.5
Unknown-income	1	7.7	0	0.0	0	0.0	0	0.0
Total Assessment Area	**13**	**100.0**	**12,587**	**100.0**	**1,404**	**11.2**	**12,587**	**100.0**
	Housing Units by Tract	**Housing Types by Tract**						
		Owner-occupied			**Rental**		**Vacant**	
	#	**#**	**%**	**%**	**#**	**%**	**#**	**%**
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	1,957	1,128	7.9	57.6	412	21.1	417	21.3
Middle-income	23,942	13,222	92.1	55.2	4,225	17.6	6,495	27.1
Upper-income	0	0	0.0	0,0	0	0.0	0	0.0
Unknown-income	9	0	0.0	0.0	0	0.0	9	100.0
Total Assessment Area	**25,908**	**14,350**	**100.0**	**55.4**	**4,637**	**17.9**	**6,921**	**26.7**
	Total Businesses by Tract		**Businesses by Tract & Revenue Size**					
			Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**	
	#	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	123	8.8	101	8.2	12	12.1	10	15.6
Middle-income	1,275	90.9	1,134	91.5	87	87.9	54	84.4
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	4	0.3	4	0.3	0	0.0	0	0.0
Total Assessment Area	**1,402**	**100.0**	**1,239**	**100.0**	**99**	**100.0**	**64**	**100.0**
	Percentage of Total Businesses:			**88.4**		**7.1**		**4.6**
	Total Farms by Tract		**Farms by Tract & Revenue Size**					
			Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**	
	#	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	3	2.4	3	2.5	0	0.0	0	0.0
Middle-income	121	97.6	118	97.5	3	100.0	0	0.0
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**124**	**100.0**	**121**	**100.0**	**3**	**100.0**	**0**	**0.0**
	Percentage of Total Farms:			**97.6**		**2.4**		**0.0**

2010 Census Data and 2016 D&B Information

First Citizens Community Bank NY Non-MSA Assessment Area Assessment Area Demographics 2017								
Income Categories	**Tract Distribution**		**Families by Tract Income**		**Families < Poverty Level as % of Families by Tract**		**Families by Family Income**	
	#	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Low-income	0	00.	0	0.0	0	0.0	2,568	21.7
Moderate-income	1	7.7	952	8.0	203	21.3	2,631	22.2
Middle-income	11	84.6	10,880	91.9	1,253	11.5	2,749	23.2
Upper-income	0	00.	0	0.0	0	0.0	3,890	32.9
Unknown-income	1	7.7	6	0.1	0	0.0	0	0.0
Total Assessment Area	**13**	**100.0**	**11,838**	**100.0**	**1,456**	**12.3**	**11,838**	**100.0**
	Housing Units by Tract	**Housing Types by Tract**						
		Owner-occupied			**Rental**		**Vacant**	
	#	**#**	**%**	**%**	**#**	**%**	**#**	**%**
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	2,048	1,091	8.2	53.3	480	23.4	477	23.3
Middle-income	23,966	12,282	91.8	51.2	4,426	18.5	7,258	30.3
Upper-income	0	0	0.0	0.0	0	0.0	0	0.0
Unknown-income	10	0	0.0	0.0	6	60.0	4	40.0
Total Assessment Area	**26,024**	**13,373**	**100.0**	**51.4**	**4,912**	**18.9**	**7,739**	**29.7**
	Total Businesses by Tract		**Businesses by Tract & Revenue Size**					
			Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**	
	#	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	103	8.4	81	7.6	12	12.2	10	15.9
Middle-income	1,125	91.3	986	92.1	86	87.8	53	84.1
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	4	0.3	4	0.4	0	0.0	0	0.0
Total Assessment Area	**1,232**	**100.0**	**1,071**	**100.0**	**98**	**100.0**	**63**	**100.0**
	Percentage of Total Businesses:			**86.9**		**8.0**		**5.1**
	Total Farms by Tract		**Farms by Tract & Revenue Size**					
			Less Than or = $1 Million		**Over $1 Million**		**Revenue Not Reported**	
	#	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	3	2.7	3	2.8	0	0.0	0	0.0
Middle-income	108	97.3	105	97.2	3	100.0	0	0.0
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	**111**	**100.0**	**108**	**100.0**	**3**	**100.0**	**0**	**0.0**
	Percentage of Total Farms:			**97.3**		**2.7**		**0.0**

2015 ACS Data and 2017 D&B Information

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

The lending test evaluates an institution's lending activities based on the following characteristics:

- Lending activity in the assessment area;

- Borrower distribution of loans, including the distribution of loans to low- and moderate-income borrowers[15];
- Geographic distribution of loans, including loans originated in low- and moderate-income census tracts[16];
- Responsiveness to credit needs of low-income individuals and geographies, and very small businesses and farms;
- Innovativeness and flexibility of lending practices; and
- Community development lending activities.

Performance under the lending test is rated low satisfactory in the NY Non-MSA assessment area.

Lending Activity

First Citizens' lending levels in the NY Non-MSA assessment area reflect adequate responsiveness to credit needs, given its extremely limited presence in the assessment area. During the evaluation period, lending activity in the NY Non-MSA assessment area represented under 4% of the bank's overall lending by number of loans, and less than 2% by dollar volume. Through its single branch location in the NY Non-MSA assessment area, First Citizens made 51 HMDA loans totaling nearly $3 million, 14 small business loans totaling $972 thousand, and 14 small farm loans totaling $918 thousand in the bank's NY Non-MSA assessment area.

Borrower Distribution of Lending

The borrower distribution of HMDA loans reflects adequate penetration among individuals of different income levels, including low- and moderate-income individuals. The overall borrower distribution conclusion is driven by lending to moderate-income borrowers, in consideration of the difficulty that the bank and aggregate lenders had in reaching low-income borrowers, as described in more detail below. As mentioned previously, analyses of small business and small farm loans were not included in this analysis, due to very low loan volumes, which would not have had a significant effect on the bank's overall performance in this assessment area. However, data on small business and small farm loans is included for reference in Appendix D.

For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes are classified upon annually-adjusted median family income data made available by FFIEC. The respective percentages of low- and moderate-income families in the assessment area are used as proxies to estimate demand for home mortgage credit. Generally, the higher the percentages of low- and moderate-income families in an assessment area, the greater the demand for credit is among low- and moderate-income individuals and families within the assessment area. As noted previously, according to 2010 Census data, 22% of families were categorized as low-income, 20% were moderate-income, 23% were middle-income, and 35% were upper-income.

[15] Borrower distribution of small business and small farm loans is not included in the analysis for the NY Non-MSA assessment area due to low loan volumes.

[16] Geographic distribution of small business and small farm loans is not included in the analysis for the NY Non-MSA assessment area due to low loan volumes.

The fact that 42% of families in the assessment area were designated as low- or moderate-income, indicates a significant need for affordable rental housing and home-mortgage credit among this segment of the population. Using updated 2015 ACS data, an even higher need for affordable housing can be noted, as 44% of families in the assessment area were considered to be low- or moderate-income families.

The following tables compare First Citizens' home-mortgage lending to the aggregate home-mortgage lending levels, using median family income as a proxy for loan demand.

First Citizens Community Bank NY Non-MSA Assessment Area Distribution of HMDA Loans by Borrower Income Level			
Income Level	**% Families by Family Income Level (2010 Census Data)**	**Aggregate Comparison 2016**	
		% First Citizens	**% Aggregate Lending**
Low	21.9	5.9	9.4
Moderate	20.3	11.8	28.7
Middle	23.4	17.6	21.9
Upper	34.5	58.8	31.9
Unknown	0.0	5.9	8.1
Total	**100%**	**100%**	**100%**

First Citizens Community Bank NY Non-MSA Assessment Area Distribution of HMDA Loans by Borrower Income Level			
Income Level	**% Families by Family Income Level (2015 ACS Data)**	**Aggregate Comparison 2017**	
		% First Citizens	**% Aggregate Lending**
Low	21.7	0.0	14.7
Moderate	22.2	20.6	21.2
Middle	23.2	26.5	27.5
Upper	32.9	52.9	28.4
Unknown	0.0%	0.0	8.1
Total	**100%**	**100%**	**100%**

Lending to Low-Income Borrowers

Overall, First Citizens' lending to low-income borrowers was poor.

2010 Census Data

First Citizens' HMDA lending in 2016 to low-income borrowers was poor. In total 6% of HMDA loans (one loan) were originated to low-income borrowers, as compared with the aggregate lending level of 9% to low-income families. Both the bank and aggregate lenders fell far short of the proxy of 22% of low-income families. The bank's single loan originated to a low-income borrower was a refinance loan. Aggregate lenders originated 6% of home-purchase loans, 7% of refinance loans, 15% of home-improvement loans, and no multifamily loans to low-income borrowers in 2016.

<u>2015 ACS Data</u>

First Citizens' HMDA lending in 2017 to low-income borrowers was poor. No loans were originated to low income borrowers in the assessment area, as compared with the aggregate lending level of 15% to low- income families. Again, both the bank and aggregate lenders were below the proxy of 22%, though aggregate lending levels rose from the prior year. By product type, aggregate lenders originated 11% of home-purchase loans, 12% of refinance loans, 21% of home-improvement loans, and no multifamily loans to low-income borrowers in 2017.

For both years, bank and aggregate lending levels were far below the proxy of low-income families, potentially indicating limited lending opportunities with the assessment area's low-income borrowers. In assessing the level of the bank's lending among low-income borrowers, the evaluation takes into consideration median family incomes and housing costs, and the challenges faced by low-income borrowers in saving for a down payment and closing costs, which can present a significant obstacle to homeownership, thereby limiting lending opportunities.

<u>Lending to Moderate-Income Borrowers</u>

Overall, the bank's lending to moderate-income borrowers was adequate.

<u>2010 Census Data</u>

In 2016, the bank's lending to moderate-income borrowers was poor. In total 12% of HMDA loans (two loans) were originated to moderate-income borrowers in the assessment area. This is significantly below the aggregate lending level of 29% and the proxy of moderate-income families (20%). By product type, the bank made one refinance loan (14%), one home-improvement loan (17%), and no home-purchase or multifamily loans to moderate-income borrowers. By comparison, aggregate lenders made 28% of home-purchase loans, 27% of refinance loans, 30% of home-improvement loans, and no multifamily loans to moderate-income borrowers in 2016.

<u>2015 ACS Data</u>

First Citizens lending in 2017 to moderate-income borrowers improved notably, and was good. In total, 21% of the bank's HMDA loans (seven loans) were originated to moderate-income borrowers, matching aggregate lending performance of 21%, and just trailing the proxy of 22%. By product type, First Citizens made 13% of home-purchase loans (two loans), 30% of refinance loans (three loans), 25% of home-improvement loans (two loans), and no multifamily loans to moderate-income borrowers. Aggregate lenders made 23% of home-purchase loans, 16% of refinance loans, 22% of home-improvement loans, and no multifamily loans to moderate-income borrowers in 2017.

Geographic Distribution of Lending

The geographic distribution of HMDA loans reflects good penetration throughout the NY Non-MSA assessment area, taking into consideration the bank's business strategy and the demographic and economic characteristics of the assessment area. Analyses of small business and small farm loans are not included in this evaluation, as the small loan volumes would not have yielded a meaningful conclusion. However, data on small business and small farm loans is included for reference in Appendix D.

As noted earlier, the percentage of owner-occupied housing units contained within designated census tracts is used as a proxy to estimate demand for residential mortgage lending within such tracts. Generally, the greater the number of owner-occupied residential dwellings in a census tract, the greater the demand is for home mortgage credit in the tract.

According to 2010 Census data, 8% of owner-occupied housing was in moderate-income tracts, and 92% was in the middle-income tracts. No owner-occupied units were located within low- or upper-income tracts. No change was noted as the result of 2015 ACS updates.

The tables below present First Citizens' HMDA lending distribution in 2016 and 2017, in comparison to the applicable owner-occupied housing proxies and the aggregate lending levels in the assessment area.

First Citizens Community Bank NY Non-MSA Assessment Area Geographic Distribution of HMDA Loans			
Income Level	% Owner-Occupied Housing Units (2010 Census Data)	Aggregate Comparison	
		2016	
		% First Citizens Lending	% Aggregate Lending
Low	0.0	0.0	0.0
Moderate	7.9	11.8	6.5
Middle	92.1	88.2	93.5
Upper	0.0	0.0	0.0
Unknown	0.0	0.0	0.0
Total	**100.0%**	**100.0%**	**100.0%**

First Citizens Community Bank NY Non-MSA Assessment Area Geographic Distribution of HMDA Loans			
Income Level	% Owner-Occupied Housing Units (2015 ACS Data)	Aggregate Comparison	
		2017	
		% First Citizens Lending	% Aggregate Lending
Low	0.0	0.0	0.0
Moderate	8.2	5.9	6.7
Middle	91.8	94.1	93.3
Upper	0.0	0.0	0.0
Unknown	0.0	0.0	0.0
Total	**100.0%**	**100.0%**	**100.0%**

Lending in Low-Income Census Tracts

There are no low-income census tracts in the assessment area using 2010 Census data and 2015 ACS data, and therefore geographic distribution of HMDA loans in low-income tracts is not considered as part of the evaluation.

Lending in Moderate-Income Census Tracts

For the period under review, the bank's HMDA lending in moderate-income tracts was good.

2010 Census Data

First Citizens' lending in moderate-income census tracts in 2016 was good. In 2016, 12% of the bank's HMDA loans (two loans) were made in moderate-income census tracts, which exceeds both the performance of the aggregate (7%) and the proxy of owner-occupied units in moderate-income tracts (8%). By product type, one home-purchase loan (25%), one home-improvement loan (17%), and no refinance or multifamily loans were made in moderate-income tracts. In comparison, aggregate lenders made 8% of home-purchase loans, 4% of refinance loans, 6% of home improvement loans, and no multifamily loans in moderate-income tracts in 2016.

2015 ACS Data

For 2017, the bank's lending in moderate-income census tracts was good. In 2017, 6% of the bank's loans (two loans) were made in moderate-income census tracts, which is slightly below aggregate lending levels (7%) and the proxy (8%). By product type, one of the bank's refinance loans (10%), one home-improvement loan (13%), and no home-purchase or multifamily loans were made in moderate-income tracts. By comparison, aggregate lenders made 5% of home-purchase loans, 6% of refinance loans, 10% of home-improvement loans, and no multifamily loans in moderate-income tracts in 2017.

Responsiveness to Credit Needs

Given its limited presence in the NY Non-MSA assessment area, First Citizens exhibits an adequate record of servicing the credit needs of the most economically disadvantaged areas of its assessment area, including low-income borrowers and very small businesses and farms, consistent with safe and sound banking practices. First Citizens operates one branch location in the NY Non-MSA assessment area. In terms of the demographic and economic context in which the bank operates, although loan volumes are small, First Citizens is helping to meet a need for home mortgage, small business and small farm loans in its assessment area.

In this assessment area, community contacts noted a need for housing rehabilitation loans, given the very old housing stock in the area. As mentioned previously, the bank did originate a portion of its HMDA loans in the home-improvement product type (over a third of all HMDA loans in 2016, and nearly a quarter in 2017), addressing this community credit need. Further, as discussed below, three Home Possible Loans were made in this assessment area. The Home Possible loan program is a flexible lending program structured to serve low- and moderate- home-purchase borrowers.

Innovative and/or Flexible Lending Practices

First Citizens makes little use of innovative and/or flexible lending practices in serving the NY Non-MSA assessment area's credit needs. Though the bank participates in the SBA loan program, the FHLB BOB program, and the USDA FSA loan program, all three of which enable small businesses and farms to access credit, no loans under these programs were made in the assessment area.

Similarly, in an effort to address the credit needs of low- and moderate-income borrowers in its assessment area, the bank offers mortgage products through four agencies for first-time homebuyers. During the review period, the bank originated three Home Possible loans totaling $161 thousand in the NY Non-MSA assessment area.

Community Development Lending

During the period evaluated, no community development loans made were attributable to the NY Non-MSA assessment area.

INVESTMENT TEST

The investment test evaluates a financial institution's level of qualified investments that serve low- or moderate-income areas or individuals, together with the innovativeness and complexity of such investments. Qualified investments made prior to the previous evaluation, which are still outstanding, are considered under the test. For purposes of the CRA, the term qualified investment has been defined to include: a lawful investment; deposit; membership share; or grant, including a donation or in-kind contribution of property that has as its primary purpose, community development.

Performance under the investment test is assessed as needs to improve.

Volume of Investment and Grant Activity

First Citizens has a poor level of qualified community development investments, donations and grants in the NY Non-MSA assessment area. Qualified donations for the NY Non-MSA assessment area totaled $2,900, which is only slightly higher than the $1,669 investment made at the prior examination. First Citizens' two donations during the evaluation period supported community services targeting low- and moderate-income individuals. This is the third occurrence of the rating of "needs to improve" in this assessment area. While First Citizens operates a single branch in the NY Non-MSA assessment area, the assessment area contributes 2% of total loans by dollar, and 3% of total deposits to the overall institution's performance. Although the operations of the NY Non-MSA assessment area do not materially affect the overall operations of the institution, investment volume and grant activity has remained stagnant, and represents less than 1% of the bank's overall investment and grant activity.

Responsiveness to Credit and Community Development Needs

First Citizens exhibits poor responsiveness to credit and community development needs of the assessment area. Community contacts indicated particular needs for affordable housing and housing rehabilitation, given the aging housing stock, small business development, and workforce training within the NY Non-MSA assessment area.

Community Development Initiatives

First Citizens makes rare use of innovative and/or complex investments to support community development activities. Investments in the NY Non-MSA assessment area consisted solely of donations, which do not have a notable level of complexity of innovativeness.

SERVICE TEST

The service test evaluates the financial services provided by a financial institution using the following characteristics:

- The accessibility of delivery mechanisms within an assessment area, including the distribution of an institution's branch offices and alternative delivery mechanisms;
- The impact of changes in branch locations upon low- and moderate-income census tracts or low- and moderate-income persons in the assessment area;
- The reasonableness of business hours and services in meeting assessment area needs; and
- The extent to which an institution provides community development services.

Performance under the service test is assessed as low satisfactory in the assessment area.

Accessibility of Delivery Systems

Delivery systems are accessible to essentially all of the bank's geographies and individuals of different income levels in the NY Non-MSA assessment area. First Citizens operates one full-service branch in the NY Non-MSA assessment area, which is located in a middle-income tract. The following table details the location of the branch in comparison to 2015 ACS population demographics, and shows that the branch is located in a middle-income area, which is similar to where the majority of the population resides.

First Citizens Community Bank Retail Branch Distribution NY Non-MSA Assessment Area 2015 ACS Data			
Census Tract Type	**Number of Branches**	**Percent of Branches**	**Percent of Population**
Low-income	0	0.0	0.0
Moderate-income	0	0.0	7.8
Middle-income	1	100.0	92.1
Upper-income	0	0.0	0.0
Unknown-income	0	0.0	0.1
Totals	**0**	**100.0%**	**100.0%**

The branch includes an ATM, which provides electronic access to banking services. To supplement traditional banking services, First Citizens provides online banking services, telephone banking services, and a smart phone mobile banking application that includes remote deposit capture capabilities. Using online banking services, bank customers can pay bills, open accounts and apply for loans products via the bank's website at https://www.firstcitizensbank.com.

Changes in Branch Locations

The bank did not open or close any branches during the evaluation period within the NY Non-MSA assessment area, and therefore this component of the service test was not evaluated in this assessment area.

Reasonableness of Business Hours and Services in Meeting Assessment Area Needs

Services do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income census tracts or individuals. A First Citizens branch is located in Wellsville, NY, and includes an ATM and drive-through facility, though it does not offer lobby hours. The branch operates Monday through Friday with extended hours on Thursday, and also has drive-through hours on Saturday morning.

Bank Products

First Citizens offers a deposit product that provides greater access to banking services for low- and moderate-income customers. The bank's free checking account is a consumer account with no minimum daily balance requirement, and no monthly service fee.

The bank also offers a business checking account for small businesses with limited transaction activity. The account offers up to 400 free deposits, and up to 50 paid checks with no monthly service charge if the monthly minimum balance of $800 is maintained. The bank charges twenty-five cents for each additional item. This account allows very small businesses access to banking services. Finally, First Citizens offers merchant card services to businesses, which allows them to accept payments from all major credit and debit cards, thus eliminating long waits between receivable and collecting NSF checks.

Community Development Services

First Citizens provides an adequate level of community development services in this assessment area. Of note, a bank officer is a member of the executive board of the Wellsville Development Corporation, which focuses on revitalization and economic development efforts in the community. Bank employees are also active in the Wellsville Chamber of Commerce and the broader Allegany County Chamber of Commerce.

CRA APPENDICES

CRA APPENDIX A: SCOPE OF EXAMINATION TABLE

SCOPE OF EXAMINATION			
Time Period Reviewed			
10/25/2016 - 07/08/2019			
Financial Institution		Products Reviewed	
First Citizens Community Bank		HMDA	
		Small Business	
		Small Farm	
Affiliates	Affiliate Relationship	Products Reviewed	
N/A	N/A	N/A	
List of Assessment Areas and Type of Examination			
Assessment Area	Type of Examination	Branches Visited[17]	Other Information
PA Non-MSA Assessment Area	Full-Scope	N/A	No geographic distribution in low-income census tracts for all loan types, due to demographics. No geographic distribution of small farm loans in moderate-income census tracts in 2017, due to demographics.
Lebanon, PA MSA Assessment Area	Full-Scope	N/A	No geographic distribution in low-income census tracts for all loan types, due to demographics.
Lancaster, PA MSA Assessment Area	Limited-Scope	N/A	No geographic distribution for small farm loans, due to demographics.
NY Non-MSA Assessment Area	Full-Scope	N/A	No small business of small farm lending included, due to low volume.

[17]No branch visits were performed in accordance with the scoping process for this evaluation. The institution's Public File was reviewed electronically.

CRA APPENDIX B: SUMMARY OF STATE RATINGS

State or Multistate Metropolitan Area Name	Lending Test Rating	Investment Test Rating	Service Test Rating	Overall State Rating
Commonwealth of Pennsylvania				Satisfactory
PA Non-MSA Assessment Area	High Satisfactory	Needs to Improve	High Satisfactory	Satisfactory
Lebanon, PA MSA Assessment Area	High Satisfactory	Needs to Improve	High Satisfactory	Satisfactory
Lancaster, PA MSA Assessment Area	Below	Consistent	Consistent	Consistent
State of New York				Needs to Improve
NY Non-MSA Assessment Area	Low Satisfactory	Needs to Improve	Low Satisfactory	Needs to Improve

CRA APPENDIX C: GLOSSARY

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 metropolitan area or assessment area.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and its 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: All Agencies have adopted the following language.
(1) Affordable housing (including multifamily rental housing) for low- or moderate-income individuals;
(2) Community services targeted to low- or moderate-income individuals;
(3) 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;
(4) Activities that revitalize or stabilize-
  - (i) Low-or moderate-income geographies;
  - (ii) Designated disaster areas; or
  - (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
    - A. Rates of poverty, unemployment, and population loss; or
    - B. Population size, density, and dispersion. Activities revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals; or

(5) Loans, investments, and services that-
  - (i) Support, enable or facilitate projects or activities that meet the “eligible uses” criteria described in Section 2301(c) of the Housing and Economic Recovery Act of 2008 (HERA), Public Law 110-289, 122 Stat. 2654, as amended, and are conducted in designated target areas identified in plans approved by the United States Department of Housing and Urban Development in accordance with the Neighborhood Stabilization Program (NSP);
  - (ii) Are provided no later than two years after the last date funds appropriated for the NSP are required to be spent by grantees; and
  - (iii) Benefit low-, moderate-, and middle-income individuals and geographies in the bank's assessment area(s) or areas outside the bank's assessment area(s) provided the bank has adequately addressed the community development needs of its assessment area(s).

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

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

Full-scope review: Performance under the lending, investment, and service tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

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

Home mortgage loans: Includes home-purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancings 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-scope review: Performance under the lending, investment, and service tests is analyzed using only quantitative factors (for example, 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 metropolitan area/assessment area.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

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 multistate 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 multistate metropolitan area, the institution will receive a rating for the multistate 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.

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.

CRA APPENDIX D: SMALL BUSINESS AND SMALL FARM LOAN DISTRIBUTION TABLES

2016 SMALL BUSINESS LOAN DISTRIBUTION TABLE (NY NON-MSA ASSESSMENT AREA)

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	**%**	**$(000s)**	**%**	**#**	**%**	**$(000s)**	**%**
	By Tract Income							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Low/Moderate Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
Middle	4	100.0%	208	100.0%	7	100.0%	555	100.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**4**	**100.0%**	**208**	**100.0%**	**7**	**100.0%**	**555**	**100.0%**
	By Revenue							
Total $1 Million or Less	2	50.0%	98	47.1%	7	100.0%	555	100.0%
Over $1 Million	2	50.0%	110	52.9%	0	0.0%	0	0.0%
Not Known	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**4**	**100.0%**	**208**	**100.0%**	**7**	**100.0%**	**555**	**100.0%**
	By Loan Size							
$100,000 or less	4	100.0%	208	100.0%	6	85.7%	235	42.3%
$100,001 - $250,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%
$250,001 - $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	1	14.3%	320	57.7%
Over $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**4**	**100.0%**	**208**	**100.0%**	**7**	**100.0%**	**555**	**100.0%**
	By Loan Size and Revenue $1 Million or Less							
$100,000 or less	2	100.0%	98	100.0%	6	85.7%	235	42.3%
$100,001 - $250,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%
$250,001 - $1 Million (Bus)- $500k (Farm)	0	0.0%	0	0.0%	1	14.3%	320	57.7%
Over $1 Million (Bus) -$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**2**	**100.0%**	**98**	**100.0%**	**7**	**100.0%**	**555**	**100.0%**

2017 SMALL BUSINESS LOAN DISTRIBUTION TABLE (NY NON-MSA ASSESSMENT AREA)

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	$(000s)	%	#	%	$(000s)	%
	By Tract Income							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	1	10.0%	47	6.2%	0	0.0%	0	0.0%
Low/Moderate Total	**1**	**10.0%**	**47**	**6.2%**	**0**	**0.0%**	**0**	**0.0%**
Middle	9	90.0%	717	93.8%	7	100.0%	363	100.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**10**	**100.0%**	**764**	**100.0%**	**7**	**100.0%**	**363**	**100.0%**
	By Revenue							
Total $1 Million or Less	3	30.0%	117	15.3%	6	85.7%	338	93.1%
Over $1 Million	7	70.0%	647	84.7%	1	14.3%	25	6.9%
Not Known	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**10**	**100.0%**	**764**	**100.0%**	**7**	**100.0%**	**363**	**100.0%**
	By Loan Size							
$100,000 or less	8	80.0%	464	60.7%	7	100.0%	363	100.0%
$100,001 - $250,000	2	20.0%	300	39.3%	0	0.0%	0	0.0%
$250,001 - $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Over $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**10**	**100.0%**	**764**	**100.0%**	**7**	**100.0%**	**363**	**100.0%**
	By Loan Size and Revenue $1 Million or Less							
$100,000 or less	3	100.0%	117	100.0%	6	100.0%	338	100.0%
$100,001 - $250,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%
$250,001 - $1 Million (Bus)- $500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Over $1 Million (Bus) -$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**3**	**100.0%**	**117**	**100.0%**	**6**	**100.0%**	**338**	**100.0%**

2016 SMALL BUSINESS LOAN DISTRIBUTION TABLE (LANCASTER, PA MSA ASSESSMENT AREA)

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	**%**	**$(000s)**	**%**	**#**	**%**	**$(000s)**	**%**
	By Tract Income							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	1	11.1%	37	1.7%	0	0.0%	0	0.0%
Low/Moderate Total	**1**	**11.1%**	**37**	**1.7%**	**0**	**0.0%**	**0**	**0.0%**
Middle	7	77.8%	2,068	92.5%	50	82.0%	8,052	79.4%
Upper	1	11.1%	131	5.9%	11	18.0%	2,086	20.6%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**9**	**100.0%**	**2,236**	**100.0%**	**61**	**100.0%**	**10,138**	**100.0%**
	By Revenue							
Total $1 Million or Less	5	55.6%	1,259	56.3%	50	82.0%	7,292	71.9%
Over $1 Million	4	44.4%	977	43.7%	11	18.0%	2,846	28.1%
Not Known	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**9**	**100.0%**	**2,236**	**100.0%**	**61**	**100.0%**	**10,138**	**100.0%**
	By Loan Size							
$100,000 or less	2	22.2%	68	3.0%	31	50.8%	1,527	15.1%
$100,001 - $250,000	3	33.3%	562	25.1%	17	27.9%	3,026	29.8%
$250,001 - $1 Million (Bus)-$500k (Farm)	4	44.4%	1,606	71.8%	13	21.3%	5,585	55.1%
Over $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**9**	**100.0%**	**2,236**	**100.0%**	**61**	**100.0%**	**10,138**	**100.0%**
	By Loan Size and Revenue $1 Million or Less							
$100,000 or less	1	20.0%	37	2.9%	28	56.0%	1,390	19.1%
$100,001 - $250,000	2	40.0%	362	28.8%	14	28.0%	2,467	33.8%
$250,001 - $1 Million (Bus)- $500k (Farm)	2	40.0%	860	68.3%	8	16.0%	3,435	47.1%
Over $1 Million (Bus) -$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**5**	**100.0%**	**1,259**	**100.0%**	**50**	**100.0%**	**7,292**	**100.0%**

2017 SMALL BUSINESS LOAN DISTRIBUTION TABLE (LANCASTER, PA MSA ASSESSMENT AREA)

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	$(000s)	%	#	%	$(000s)	%
	By Tract Income							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	1	4.3%	360	6.6%	0	0.0%	0	0.0%
Low/Moderate Total	**1**	**4.3%**	**360**	**6.6%**	**0**	**0.0%**	**0**	**0.0%**
Middle	22	95.7%	5,073	93.4%	56	98.2%	8,703	98.2%
Upper	0	0.0%	0	0.0%	1	1.8%	160	1.8%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**23**	**100.0%**	**5,433**	**100.0%**	**57**	**100.0%**	**8,863**	**100.0%**
	By Revenue							
Total $1 Million or Less	16	69.6%	4,093	75.3%	51	89.5%	7,207	81.3%
Over $1 Million	7	30.4%	1,340	24.7%	6	10.5%	1,656	18.7%
Not Known	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**23**	**100.0%**	**5,433**	**100.0%**	**57**	**100.0%**	**8,863**	**100.0%**
	By Loan Size							
$100,000 or less	8	34.8%	444	8.2%	32	56.1%	1,671	18.9%
$100,001 - $250,000	8	34.8%	1,435	26.4%	11	19.3%	2,027	22.9%
$250,001 - $1 Million (Bus)-$500k (Farm)	7	30.4%	3,554	65.4%	14	24.6%	5,165	58.3%
Over $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**23**	**100.0%**	**5,433**	**100.0%**	**57**	**100.0%**	**8,863**	**100.0%**
	By Loan Size and Revenue $1 Million or Less							
$100,000 or less	6	37.5%	324	7.9%	32	62.7%	1,671	23.2%
$100,001 - $250,000	5	31.3%	940	23.0%	7	13.7%	1,246	17.3%
$250,001 - $1 Million (Bus)- $500k (Farm)	5	31.3%	2,829	69.1%	12	23.5%	4,290	59.5%
Over $1 Million (Bus) -$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**16**	**100.0%**	**4,093**	**100.0%**	**51**	**100.0%**	**7,207**	**100.0%**

2016 SMALL BUSINESS LOAN DISTRIBUTION TABLE (LEBANON, PA MSA ASSESSMENT AREA)

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	$(000s)	%	#	%	$(000s)	%
	By Tract Income							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Low/Moderate Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
Middle	37	82.2%	5,897	81.0%	49	92.5%	6,084	90.2%
Upper	8	17.8%	1,384	19.0%	4	7.5%	658	9.8%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**45**	**100.0%**	**7,281**	**100.0%**	**53**	**100.0%**	**6,742**	**100.0%**
	By Revenue							
Total $1 Million or Less	22	48.9%	1,544	21.2%	44	83.0%	4,892	72.6%
Over $1 Million	23	51.1%	5,737	78.8%	9	17.0%	1,850	27.4%
Not Known	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**45**	**100.0%**	**7,281**	**100.0%**	**53**	**100.0%**	**6,742**	**100.0%**
	By Loan Size							
$100,000 or less	29	64.4%	1,337	18.4%	34	64.2%	1,792	26.6%
$100,001 - $250,000	6	13.3%	1,044	14.3%	12	22.6%	2,164	32.1%
$250,001 - $1 Million (Bus)-$500k (Farm)	10	22.2%	4,900	67.3%	7	13.2%	2,786	41.3%
Over $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**45**	**100.0%**	**7,281**	**100.0%**	**53**	**100.0%**	**6,742**	**100.0%**
	By Loan Size and Revenue $1 Million or Less							
$100,000 or less	19	86.4%	778	50.4%	31	70.5%	1,614	33.0%
$100,001 - $250,000	2	9.1%	366	23.7%	9	20.5%	1,623	33.2%
$250,001 - $1 Million (Bus)- $500k (Farm)	1	4.5%	400	25.9%	4	9.1%	1,655	33.8%
Over $1 Million (Bus) -$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**22**	**100.0%**	**1,544**	**100.0%**	**44**	**100.0%**	**4,892**	**100.0%**

2017 SMALL BUSINESS LOAN DISTRIBUTION TABLE (LEBANON, PA MSA ASSESSMENT AREA)

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	$(000s)	%	#	%	$(000s)	%
	By Tract Income							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	7	11.7%	3,096	21.7%	0	0.0%	0	0.0%
Low/Moderate Total	**7**	**11.7%**	**3,096**	**21.7%**	**0**	**0.0%**	**0**	**0.0%**
Middle	46	76.7%	9,239	64.7%	80	86.0%	10,536	85.4%
Upper	7	11.7%	1,934	13.6%	13	14.0%	1,796	14.6%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**60**	**100.0%**	**14,269**	**100.0%**	**93**	**100.0%**	**12,332**	**100.0%**
	By Revenue							
Total $1 Million or Less	30	50.0%	4,543	31.8%	88	94.6%	11,472	93.0%
Over $1 Million	30	50.0%	9,726	68.2%	5	5.4%	860	7.0%
Not Known	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**60**	**100.0%**	**14,269**	**100.0%**	**93**	**100.0%**	**12,332**	**100.0%**
	By Loan Size							
$100,000 or less	27	45.0%	1,611	11.3%	57	61.3%	3,177	25.8%
$100,001 - $250,000	10	16.7%	1,806	12.7%	22	23.7%	3,616	29.3%
$250,001 - $1 Million (Bus)-$500k (Farm)	23	38.3%	10,852	76.1%	14	15.1%	5,539	44.9%
Over $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**60**	**100.0%**	**14,269**	**100.0%**	**93**	**100.0%**	**12,332**	**100.0%**
	By Loan Size and Revenue $1 Million or Less							
$100,000 or less	19	63.3%	911	20.1%	55	62.5%	3,102	27.0%
$100,001 - $250,000	4	13.3%	680	15.0%	20	22.7%	3,331	29.0%
$250,001 - $1 Million (Bus)- $500k (Farm)	7	23.3%	2,952	65.0%	13	14.8%	5,039	43.9%
Over $1 Million (Bus) -$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**30**	**100.0%**	**4,543**	**100.0%**	**88**	**100.0%**	**11,472**	**100.0%**

2016 SMALL BUSINESS LOAN DISTRIBUTION TABLE (PA NON-MSA ASSESSMENT AREA)

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	%	$(000s)	%	#	%	$(000s)	%
	By Tract Income							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	10	5.4%	2,672	14.0%	5	3.6%	455	3.3%
Low/Moderate Total	10	5.4%	2,672	14.0%	5	3.6%	455	3.3%
Middle	176	94.6%	16,448	86.0%	134	96.4%	13,235	96.7%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**186**	**100.0%**	**19,120**	**100.0%**	**139**	**100.0%**	**13,690**	**100.0%**
	By Revenue							
Total $1 Million or Less	131	70.4%	8,469	44.3%	127	91.4%	10,772	78.7%
Over $1 Million	55	29.6%	10,651	55.7%	12	8.6%	2,918	21.3%
Not Known	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**186**	**100.0%**	**19,120**	**100.0%**	**139**	**100.0%**	**13,690**	**100.0%**
	By Loan Size							
$100,000 or less	136	73.1%	5,348	28.0%	94	67.6%	3,901	28.5%
$100,001 - $250,000	31	16.7%	5,278	27.6%	30	21.6%	4,864	35.5%
$250,001 - $1 Million (Bus)-$500k (Farm)	19	10.2%	8,494	44.4%	15	10.8%	4,925	36.0%
Over $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**186**	**100.0%**	**19,120**	**100.0%**	**139**	**100.0%**	**13,690**	**100.0%**
	By Loan Size and Revenue $1 Million or Less							
$100,000 or less	106	80.9%	3,821	45.1%	92	72.4%	3,776	35.1%
$100,001 - $250,000	20	15.3%	3,148	37.2%	27	21.3%	4,436	41.2%
$250,001 - $1 Million (Bus)- $500k (Farm)	5	3.8%	1,500	17.7%	8	6.3%	2,560	23.8%
Over $1 Million (Bus) -$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**131**	**100.0%**	**8,469**	**100.0%**	**127**	**100.0%**	**10,772**	**100.0%**

2017 SMALL BUSINESS LOAN DISTRIBUTION TABLE (PA NON-MSA ASSESSMENT AREA)

Income Categories	SMALL BUSINESS				SMALL FARM			
	#	**%**	**$(000s)**	**%**	**#**	**%**	**$(000s)**	**%**
	By Tract Income							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Low/Moderate Total	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	140	96.6%	15,839	98.0%	106	99.1%	10,108	96.7%
Upper	5	3.4%	331	2.0%	1	0.9%	350	3.3%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**145**	**100.0%**	**16,170**	**100.0%**	**107**	**100.0%**	**10,458**	**100.0%**
	By Revenue							
Total $1 Million or Less	104	71.7%	6,551	40.5%	98	91.6%	9,113	87.1%
Over $1 Million	41	28.3%	9,619	59.5%	9	8.4%	1,345	12.9%
Not Known	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**145**	**100.0%**	**16,170**	**100.0%**	**107**	**100.0%**	**10,458**	**100.0%**
	By Loan Size							
$100,000 or less	100	69.0%	4,176	25.8%	77	72.0%	2,828	27.0%
$100,001 - $250,000	32	22.1%	5,586	34.5%	16	15.0%	2,485	23.8%
$250,001 - $1 Million (Bus)-$500k (Farm)	13	9.0%	6,408	39.6%	14	13.1%	5,145	49.2%
Over $1 Million (Bus)-$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**145**	**100.0%**	**16,170**	**100.0%**	**107**	**100.0%**	**10,458**	**100.0%**
	By Loan Size and Revenue $1 Million or Less							
$100,000 or less	87	83.7%	3,276	50.0%	72	73.5%	2,558	28.1%
$100,001 - $250,000	14	13.5%	2,138	32.6%	14	14.3%	2,060	22.6%
$250,001 - $1 Million (Bus)- $500k (Farm)	3	2.9%	1,137	17.4%	12	12.2%	4,495	49.3%
Over $1 Million (Bus) -$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**104**	**100.0%**	**6,551**	**100.0%**	**98**	**100.0%**	**9,113**	**100.0%**

CRA APPENDIX E: HMDA LOAN DISTRIBUTION TABLES

2016 HMDA LOAN DISTRIBUTION TABLE (NY NON-MSA ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	$(000s)	%	#	%	$(000s)	%
	Home Purchase							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	1	25.0%	48	11.7%	0	0.0%	0	0.0%
Middle	3	75.0%	362	88.3%	1	25.0%	106	25.9%
Upper	0	0.0%	0	0.0%	2	50.0%	256	62.4%
Unknown	0	0.0%	0	0.0%	1	25.0%	48	11.7%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**4**	**100.0%**	**410**	**100.0%**	**4**	**100.0%**	**410**	**100.0%**
	Refinance							
Low	0	0.0%	0	0.0%	1	14.3%	6	1.6%
Moderate	0	0.0%	0	0.0%	1	14.3%	15	4.1%
Middle	7	100.0%	368	100.0%	1	14.3%	140	38.0%
Upper	0	0.0%	0	0.0%	4	57.1%	207	56.3%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**7**	**100.0%**	**368**	**100.0%**	**7**	**100.0%**	**368**	**100.0%**
	Home Improvement							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	1	16.7%	47	23.2%	1	16.7%	3	1.5%
Middle	5	83.3%	156	76.8%	1	16.7%	47	23.2%
Upper	0	0.0%	0	0.0%	4	66.7%	153	75.4%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	6	100.0%	203	100.0%	6	100.0%	203	100.0%
	Multi-Family							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
	HMDA Totals							
Low	0	0.0%	0	0.0%	1	5.9%	6	0.6%
Moderate	2	11.8%	95	9.7%	2	11.8%	18	1.8%
Middle	15	88.2%	886	90.3%	3	17.6%	293	29.9%
Upper	0	0.0%	0	0.0%	10	58.8%	616	62.8%
Unknown	0	0.0%	0	0.0%	1	5.9%	48	4.9%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**17**	**100.0%**	**981**	**100.0%**	**17**	**100.0%**	**981**	**100.0%**

2017 HMDA LOAN DISTRIBUTION TABLE (NY NON-MSA ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	$(000s)	%	#	%	$(000s)	%
	Home Purchase							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	2	12.5%	112	9.9%
Middle	16	100.0%	1,126	100.0%	3	18.8%	174	15.5%
Upper	0	0.0%	0	0.0%	11	68.8%	840	74.6%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**16**	**100.0%**	**1,126**	**100.0%**	**16**	**100.0%**	**1,126**	**100.0%**
	Refinance							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	1	10.0%	72	11.0%	3	30.0%	115	17.5%
Middle	9	90.0%	585	89.0%	4	40.0%	194	29.5%
Upper	0	0.0%	0	0.0%	3	30.0%	348	53.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**10**	**100.0%**	**657**	**100.0%**	**10**	**100.0%**	**657**	**100.0%**
	Home Improvement							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	1	12.5%	6	2.9%	2	25.0%	69	33.7%
Middle	7	87.5%	199	97.1%	2	25.0%	55	26.8%
Upper	0	0.0%	0	0.0%	4	50.0%	81	39.5%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**8**	**100.0%**	**205**	**100.0%**	**8**	**100.0%**	**205**	**100.0%**
	Multi-Family							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
	HMDA Totals							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	2	5.9%	78	3.9%	7	20.6%	296	14.9%
Middle	32	94.1%	1,910	96.1%	9	26.5%	423	21.3%
Upper	0	0.0%	0	0.0%	18	52.9%	1,269	63.8%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**34**	**100.0%**	**1,988**	**100.0%**	**34**	**100.0%**	**1,988**	**100.0%**

2016 HMDA LOAN DISTRIBUTION TABLE (LANCASTER, PA MSA ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	$(000s)	%	#	%	$(000s)	%
	Home Purchase							
Low	1	9.1%	147	9.8%	1	9.1%	112	7.5%
Moderate	1	9.1%	121	8.1%	0	0.0%	0	0.0%
Middle	8	72.7%	1,100	73.5%	1	9.1%	150	10.0%
Upper	1	9.1%	129	8.6%	7	63.6%	967	64.6%
Unknown	0	0.0%	0	0.0%	2	18.2%	268	17.9%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**11**	**100.0%**	**1,497**	**100.0%**	**11**	**100.0%**	**1,497**	**100.0%**
	Refinance							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	1	25.0%	87	11.7%	1	25.0%	75	10.1%
Middle	1	25.0%	287	38.6%	1	25.0%	294	39.6%
Upper	2	50.0%	369	49.7%	2	50.0%	374	50.3%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**4**	**100.0%**	**743**	**100.0%**	**4**	**100.0%**	**743**	**100.0%**
	Home Improvement							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
	Multi-Family							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
	HMDA Totals							
Low	1	6.7%	147	6.6%	1	6.7%	112	5.0%
Moderate	2	13.3%	208	9.3%	1	6.7%	75	3.3%
Middle	9	60.0%	1,387	61.9%	2	13.3%	444	19.8%
Upper	3	20.0%	498	22.2%	9	60.0%	1,341	59.9%
Unknown	0	0.0%	0	0.0%	2	13.3%	268	12.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**15**	**100.0%**	**2,240**	**100.0%**	**15**	**100.0%**	**2,240**	**100.0%**

2017 HMDA LOAN DISTRIBUTION TABLE (LANCASTER, PA MSA ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	$(000s)	%	#	%	$(000s)	%
	Home Purchase							
Low	1	5.0%	372	6.7%	1	5.0%	172	3.1%
Moderate	2	10.0%	460	8.3%	3	15.0%	589	10.6%
Middle	15	75.0%	4,053	73.1%	2	10.0%	421	7.6%
Upper	2	10.0%	663	12.0%	9	45.0%	2,900	52.3%
Unknown	0	0.0%	0	0.0%	5	25.0%	1,466	26.4%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**20**	**100.0%**	**5,548**	**100.0%**	**20**	**100.0%**	**5,548**	**100.0%**
	Refinance							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	2	25.0%	425	18.5%	2	25.0%	351	15.3%
Middle	6	75.0%	1,871	81.5%	1	12.5%	90	3.9%
Upper	0	0.0%	0	0.0%	3	37.5%	1,235	53.8%
Unknown	0	0.0%	0	0.0%	2	25.0%	620	27.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**8**	**100.0%**	**2,296**	**100.0%**	**8**	**100.0%**	**2,296**	**100.0%**
	Home Improvement							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**	**0**	**0.0%**
	Multi-Family							
Low	1	25.0%	1,472	36.1%	0	0.0%	0	0.0%
Moderate	1	25.0%	165	4.1%	0	0.0%	0	0.0%
Middle	2	50.0%	2,435	59.8%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	4	100.0%	4,072	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**4**	**100.0%**	**4,072**	**100.0%**	**4**	**100.0%**	**4,072**	**100.0%**
	HMDA Totals							
Low	2	6.3%	1,844	15.5%	1	3.1%	172	1.4%
Moderate	5	15.6%	1,050	8.8%	5	15.6%	940	7.9%
Middle	23	71.9%	8,359	70.1%	3	9.4%	511	4.3%
Upper	2	6.3%	663	5.6%	12	37.5%	4,135	34.7%
Unknown	0	0.0%	0	0.0%	11	34.4%	6,158	51.7%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**32**	**100.0%**	**11,916**	**100.0%**	**32**	**100.0%**	**11,916**	**100.0%**

2016 HMDA LOAN DISTRIBUTION TABLE (LEBANON, PA MSA ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	$(000s)	%	#	%	$(000s)	%
	Home Purchase							
Low	0	0.0%	0	0.0%	1	3.0%	161	3.0%
Moderate	1	3.0%	80	1.5%	7	21.2%	991	18.7%
Middle	30	90.9%	4,873	91.9%	7	21.2%	852	16.1%
Upper	2	6.1%	349	6.6%	17	51.5%	3,198	60.3%
Unknown	0	0.0%	0	0.0%	1	3.0%	100	1.9%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**33**	**100.0%**	**5,302**	**100.0%**	**33**	**100.0%**	**5,302**	**100.0%**
	Refinance							
Low	0	0.0%	0	0.0%	2	3.7%	165	2.2%
Moderate	0	0.0%	0	0.0%	12	22.2%	1,334	17.5%
Middle	50	92.6%	7,181	94.2%	18	33.3%	2,250	29.5%
Upper	4	7.4%	440	5.8%	21	38.9%	3,422	44.9%
Unknown	0	0.0%	0	0.0%	1	1.9%	450	5.9%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**54**	**100.0%**	**7,621**	**100.0%**	**54**	**100.0%**	**7,621**	**100.0%**
	Home Improvement							
Low	0	0.0%	0	0.0%	3	10.3%	42	1.7%
Moderate	0	0.0%	0	0.0%	3	10.3%	198	8.0%
Middle	20	69.0%	1,819	73.3%	9	31.0%	902	36.3%
Upper	9	31.0%	663	26.7%	13	44.8%	1,250	50.4%
Unknown	0	0.0%	0	0.0%	1	3.4%	90	3.6%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**29**	**100.0%**	**2,482**	**100.0%**	**29**	**100.0%**	**2,482**	**100.0%**
	Multi-Family							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	1	100.0%	760	100.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	1	100.0%	760	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**1**	**100.0%**	**760**	**100.0%**	**1**	**100.0%**	**760**	**100.0%**
	HMDA Totals							
Low	0	0.0%	0	0.0%	6	5.1%	368	2.3%
Moderate	1	0.9%	80	0.5%	22	18.8%	2,523	15.6%
Middle	101	86.3%	14,633	90.5%	34	29.1%	4,004	24.8%
Upper	15	12.8%	1,452	9.0%	51	43.6%	7,870	48.7%
Unknown	0	0.0%	0	0.0%	4	3.4%	1,400	8.7%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**117**	**100.0%**	**16,165**	**100.0%**	**117**	**100.0%**	**16,165**	**100.0%**

2017 HMDA LOAN DISTRIBUTION TABLE (LEBANON, PA MSA ASSESSMENT AREA)

	HMDA							
	By Tract Income				By Borrower Income			
Income Categories	**#**	**%**	**$(000s)**	**%**	**#**	**%**	**$(000s)**	**%**
	Home Purchase							
Low	0	0.0%	0	0.0%	3	6.5%	200	3.1%
Moderate	6	13.0%	540	7.6%	6	13.0%	746	10.5%
Middle	32	69.6%	5,117	72.1%	13	28.3%	2,450	34.5%
Upper	8	17.4%	1,439	20.3%	20	43.5%	3,142	44.3%
Unknown	0	0.0%	0	0.0%	4	8.7%	538	7.6%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**46**	**100.0%**	**7,096**	**100.0%**	**46**	**100.0%**	**7,096**	**100.0%**
	Refinance							
Low	0	0.0%	0	0.0%	3	8.1%	208	4.2%
Moderate	3	8.1%	277	5.6%	8	21.6%	804	16.3%
Middle	31	83.8%	4,285	87.0%	9	24.3%	1,153	23.4%
Upper	3	8.1%	361	7.3%	14	37.8%	2,308	46.9%
Unknown	0	0.0%	0	0.0%	3	8.1%	450	9.1%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**37**	**100.0%**	**4,923**	**100.0%**	**37**	**100.0%**	**4,923**	**100.0%**
	Home Improvement							
Low	1	6.3%	4	0.5%	3	18.8%	15	2.0%
Moderate	0	0.0%	0	0.0%	4	25.0%	59	7.7%
Middle	12	75.0%	549	72.0%	3	18.8%	261	34.3%
Upper	3	18.8%	209	27.4%	6	37.5%	427	56.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**16**	**100.0%**	**762**	**100.0%**	**16**	**100.0%**	**762**	**100.0%**
	Multi-Family							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	2	100.0%	543	100.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	2	100.0%	543	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**2**	**100.0%**	**543**	**100.0%**	**2**	**100.0%**	**543**	**100.0%**
	HMDA Totals							
Low	1	1.0%	4	0.0%	9	8.9%	443	3.3%
Moderate	9	8.9%	817	6.1%	18	17.8%	1,609	12.1%
Middle	77	76.2%	10,494	78.8%	25	24.8%	3,864	29.0%
Upper	14	13.9%	2,009	15.1%	40	39.6%	5,877	44.1%
Unknown	0	0.0%	0	0.0%	9	8.9%	1,531	11.5%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**101**	**100.0%**	**13,324**	**100.0%**	**101**	**100.0%**	**13,324**	**100.0%**

2016 HMDA LOAN DISTRIBUTION TABLE (PA NON-MSA ASSESSMENT AREA)

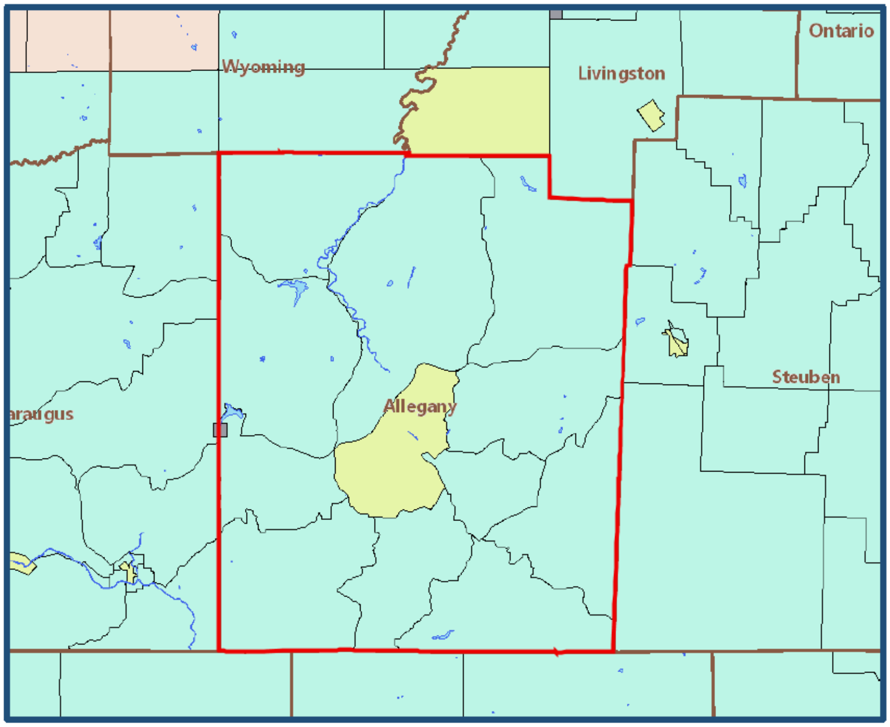
	HMDA							
	By Tract Income				By Borrower Income			
Income Categories	**#**	**%**	**$(000s)**	**%**	**#**	**%**	**$(000s)**	**%**
	Home Purchase							
Low	0	0.0%	0	0.0%	14	7.8%	915	4.1%
Moderate	10	5.6%	930	4.2%	31	17.2%	2,389	10.7%
Middle	170	94.4%	21,478	95.8%	25	13.9%	2,548	11.4%
Upper	0	0.0%	0	0.0%	97	53.9%	15,018	67.0%
Unknown	0	0.0%	0	0.0%	13	7.2%	1,538	6.9%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**180**	**100.0%**	**22,408**	**100.0%**	**180**	**100.0%**	**22,408**	**100.0%**
	Refinance							
Low	0	0.0%	0	0.0%	7	5.0%	396	2.3%
Moderate	9	6.5%	974	5.6%	27	19.4%	2,096	12.0%
Middle	130	93.5%	16,519	94.4%	31	22.3%	2,914	16.7%
Upper	0	0.0%	0	0.0%	68	48.9%	10,689	61.1%
Unknown	0	0.0%	0	0.0%	6	4.3%	1,398	8.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**139**	**100.0%**	**17,493**	**100.0%**	**139**	**100.0%**	**17,493**	**100.0%**
	Home Improvement							
Low	0	0.0%	0	0.0%	15	11.9%	421	5.6%
Moderate	12	9.5%	773	10.3%	31	24.6%	1,171	15.7%
Middle	114	90.5%	6,708	89.7%	16	12.7%	558	7.5%
Upper	0	0.0%	0	0.0%	61	48.4%	4,580	61.2%
Unknown	0	0.0%	0	0.0%	3	2.4%	751	10.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**126**	**100.0%**	**7,481**	**100.0%**	**126**	**100.0%**	**7,481**	**100.0%**
	Multi-Family							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	8	100.0%	2,481	100.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	8	100.0%	2,481	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**8**	**100.0%**	**2,481**	**100.0%**	**8**	**100.0%**	**2,481**	**100.0%**
	HMDA Totals							
Low	0	0.0%	0	0.0%	36	7.9%	1,732	3.5%
Moderate	31	6.8%	2,677	5.4%	89	19.6%	5,656	11.3%
Middle	422	93.2%	47,186	94.6%	72	15.9%	6,020	12.1%
Upper	0	0.0%	0	0.0%	226	49.9%	30,287	60.7%
Unknown	0	0.0%	0	0.0%	30	6.6%	6,168	12.4%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**453**	**100.0%**	**49,863**	**100.0%**	**453**	**100.0%**	**49,863**	**100.0%**

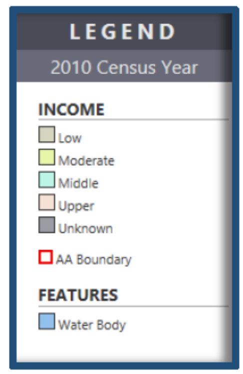
2017 HMDA LOAN DISTRIBUTION TABLE (PA NON-MSA ASSESSMENT AREA)

Income Categories	HMDA							
	By Tract Income				By Borrower Income			
	#	%	$(000s)	%	#	%	$(000s)	%
	Home Purchase							
Low	0	0.0%	0	0.0%	9	6.4%	541	3.1%
Moderate	0	0.0%	0	0.0%	16	11.3%	1,696	9.8%
Middle	135	95.7%	16,973	97.7%	32	22.7%	2,717	15.6%
Upper	6	4.3%	395	2.3%	82	58.2%	12,052	69.4%
Unknown	0	0.0%	0	0.0%	2	1.4%	362	2.1%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**141**	**100.0%**	**17,368**	**100.0%**	**141**	**100.0%**	**17,368**	**100.0%**
	Refinance							
Low	0	0.0%	0	0.0%	9	7.1%	683	4.8%
Moderate	0	0.0%	0	0.0%	27	21.3%	2,212	15.7%
Middle	121	95.3%	13,290	94.3%	26	20.5%	2,600	18.5%
Upper	6	4.7%	801	5.7%	61	48.0%	8,161	57.9%
Unknown	0	0.0%	0	0.0%	4	3.1%	435	3.1%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**127**	**100.0%**	**14,091**	**100.0%**	**127**	**100.0%**	**14,091**	**100.0%**
	Home Improvement							
Low	0	0.0%	0	0.0%	7	7.4%	183	3.3%
Moderate	0	0.0%	0	0.0%	20	21.3%	757	13.7%
Middle	90	95.7%	5,253	95.2%	22	23.4%	909	16.5%
Upper	4	4.3%	267	4.8%	43	45.7%	3,447	62.4%
Unknown	0	0.0%	0	0.0%	2	2.1%	224	4.1%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**94**	**100.0%**	**5,520**	**100.0%**	**94**	**100.0%**	**5,520**	**100.0%**
	Multi-Family							
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	4	100.0%	2,705	100.0%	0	0.0%	0	0.0%
Upper	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Unknown	0	0.0%	0	0.0%	4	100.0%	2,705	100.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**4**	**100.0%**	**2,705**	**100.0%**	**4**	**100.0%**	**2,705**	**100.0%**
	HMDA Totals							
Low	0	0.0%	0	0.0%	25	6.8%	1,407	3.5%
Moderate	0	0.0%	0	0.0%	63	17.2%	4,665	11.8%
Middle	350	95.6%	38,221	96.3%	80	21.9%	6,226	15.7%
Upper	16	4.4%	1,463	3.7%	186	50.8%	23,660	59.6%
Unknown	0	0.0%	0	0.0%	12	3.3%	3,726	9.4%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	**366**	**100.0%**	**39,684**	**100.0%**	**366**	**100.0%**	**39,684**	**100.0%**

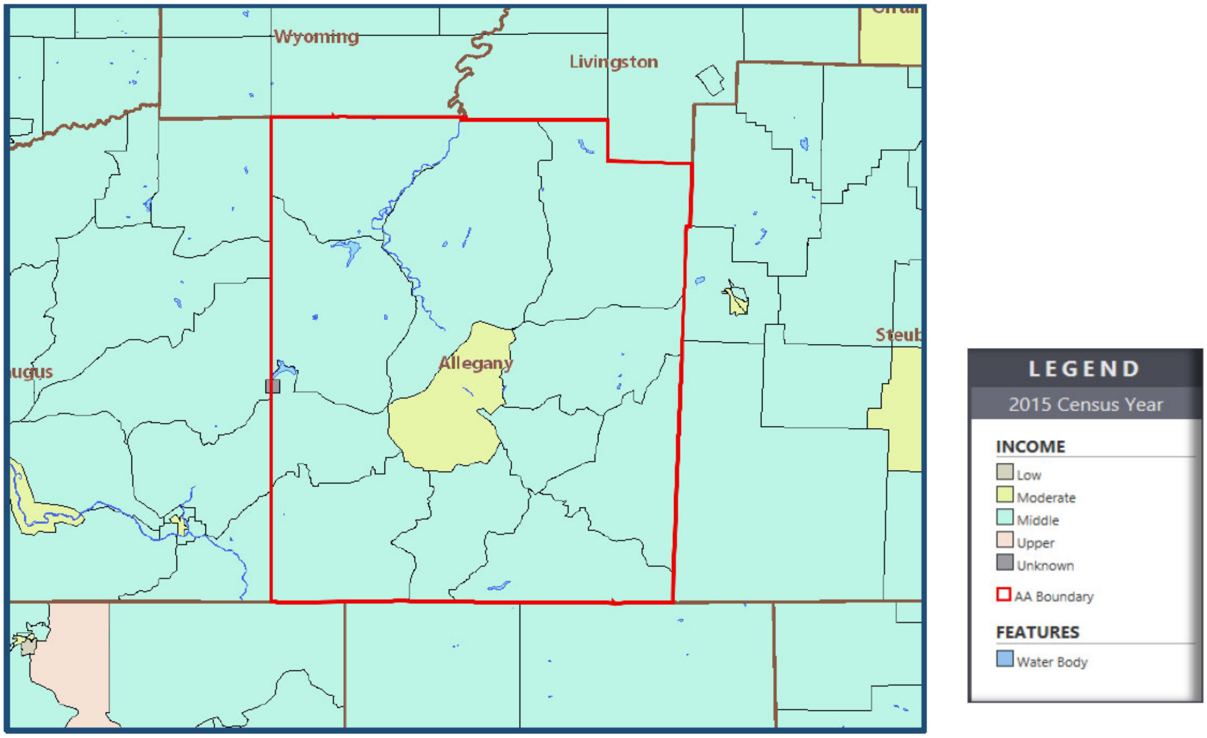
CRA APPENDIX F: ASSESSMENT AREA MAPS

NY Non-MSA Assessment Area - 2010 Census Data

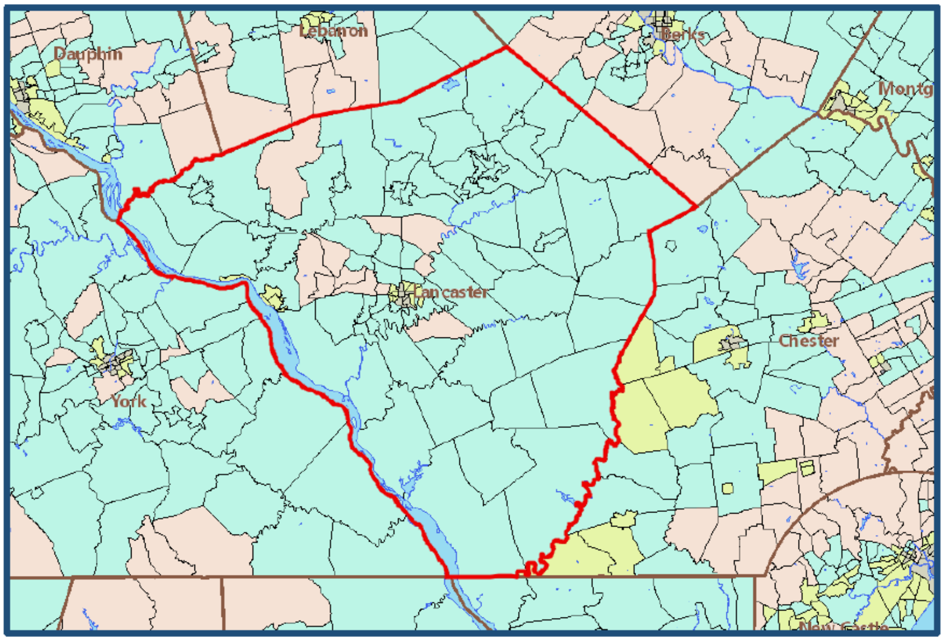


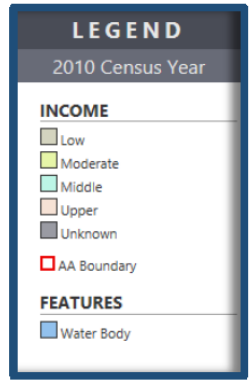


NY Non-MSA Assessment Area - 2015 ACS Data

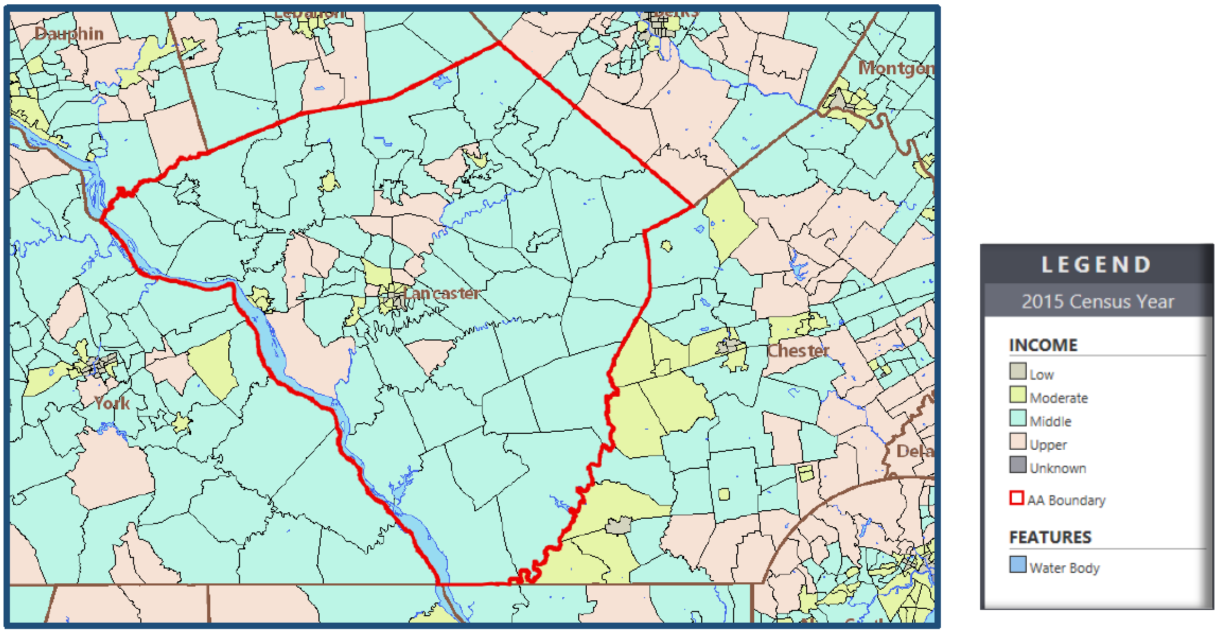


Lancaster, PA MSA Assessment Area - 2010 Census Data

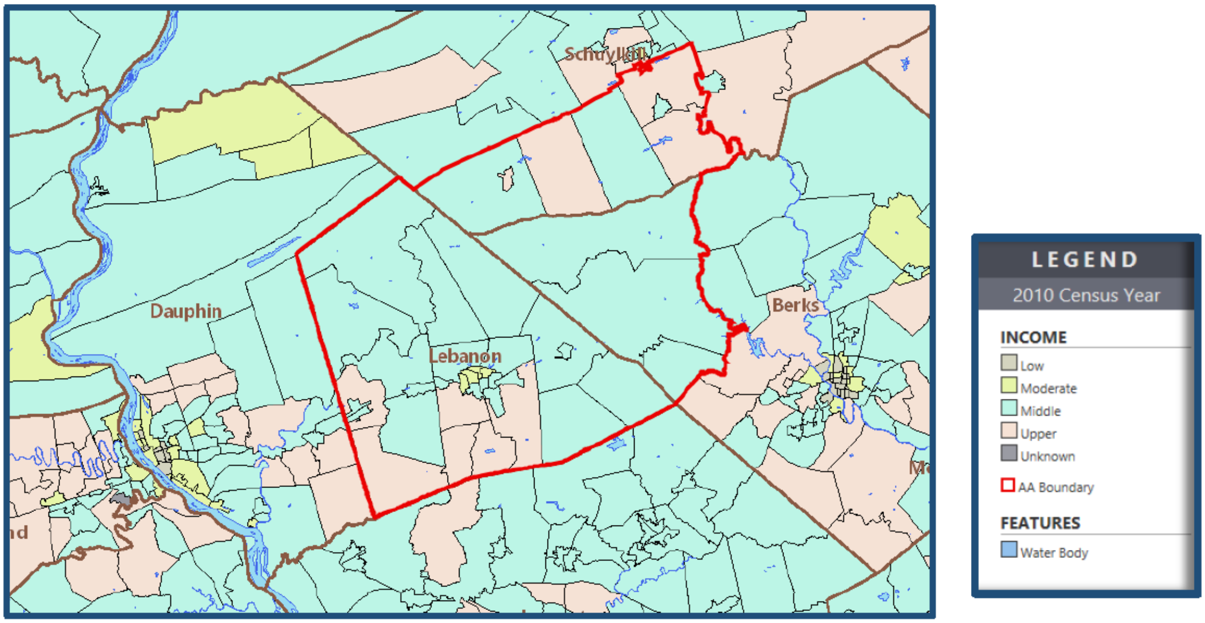




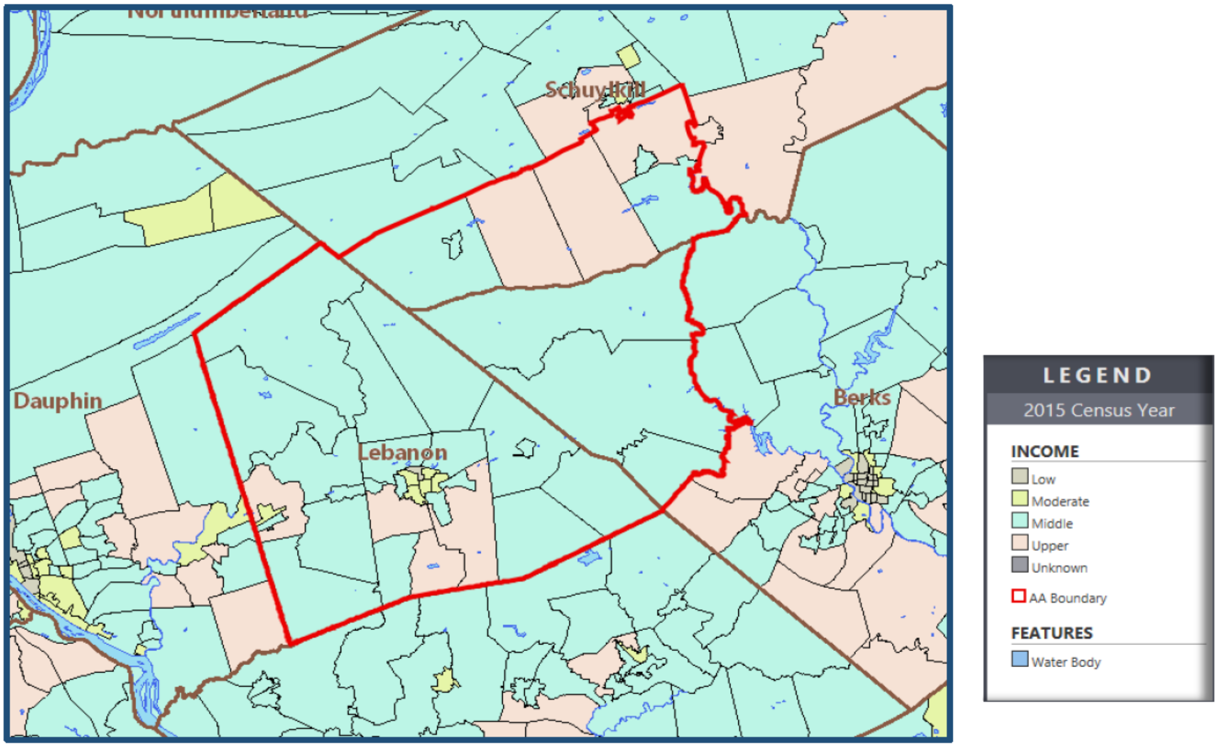
Lancaster, PA MSA Assessment Area - 2015 ACS Data



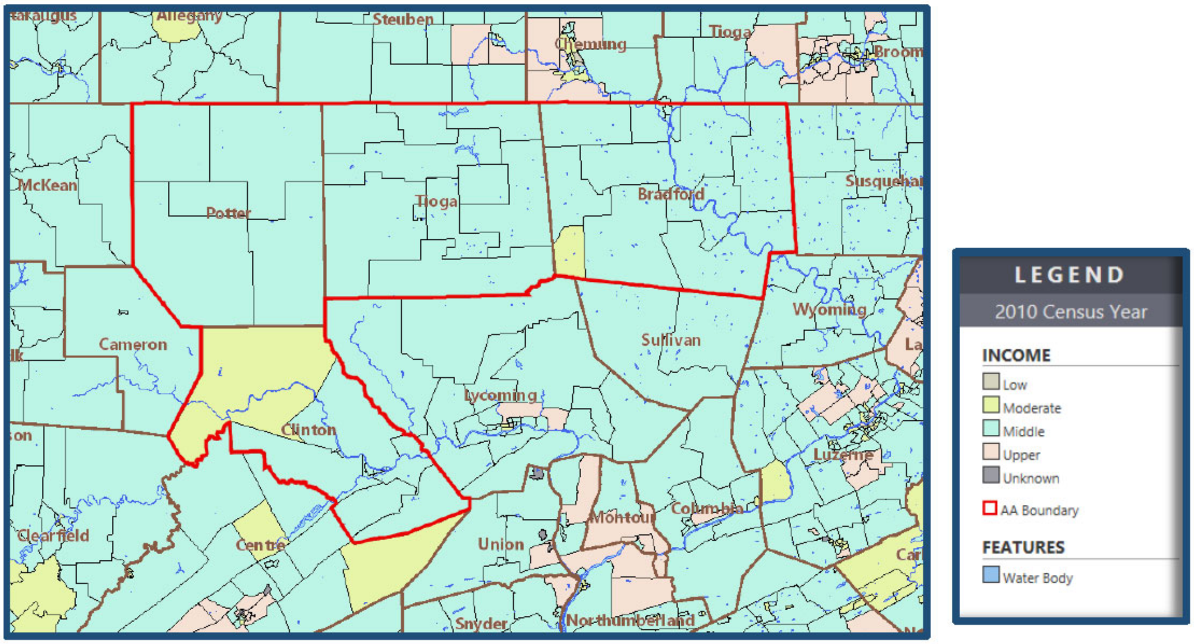
Lebanon, PA MSA Assessment Area - 2010 Census Data



Lebanon, PA MSA Assessment Area - 2015 ACS Data



PA Non-MSA Assessment Area - 2010 Census Data



PA Non-MSA Assessment Area - 2015 ACS Data