



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

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COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Citizens National Bank
Charter Number: 13618

15 South Main Street
Mansfield, PA16933

Office of the Comptroller of the Currency

Northern Pennsylvania Field Office
60 Public Square, Suite 602
Wilkes Barre, Pennsylvania 18701

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

Table of Contents

| | |
|--|------------|
| OVERALL CRA RATING | 2 |
| DEFINITIONS AND COMMON ABBREVIATIONS..... | 3 |
| DESCRIPTION OF INSTITUTION..... | 7 |
| SCOPE OF THE EVALUATION..... | 8 |
| FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW..... | 9 |
| STATE RATING | 10 |
| State of Pennsylvania | |
| State of New York | |
| APPENDIX A: SCOPE OF EXAMINATION | A-1 |
| APPENDIX B: SUMMARY OF MULTISTATE METROPOLITAN AREA AND STATE RATINGS | B-1 |
| APPENDIX C: MARKET PROFILES FOR FULL-SCOPE AREAS | C-1 |
| APPENDIX D: TABLES OF PERFORMANCE DATA | D-3 |

Overall CRA Rating

Institution’s CRA Rating: This institution is rated Satisfactory.

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

| Performance Levels | (Name of Depository Institution) Performance Tests | | |
|---------------------------|---|-----------------|--------------|
| | Lending Test* | Investment Test | Service Test |
| Outstanding | | | |
| High Satisfactory | X | X | X |
| Low Satisfactory | | | |
| Needs to Improve | | | |
| Substantial Noncompliance | | | |

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

The major factors that support this rating include:

- The performance under the lending test in both assessment areas (AAs) is good;
- A substantial majority of home mortgage loans and small loans to businesses are originated within the AAs;
- Community development lending had a positive effect on the bank’s ratings;
- In the Pennsylvania AA, the level of community development lending is good; in the New York AA the level of community development lending is adequate; and
- The bank’s performance in both AA’s under the service test is good.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. 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 that 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.

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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

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

Full Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract 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 (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Tier One Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income: Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Description of Institution

First Citizen's National Bank (FCNB) is headquartered in Mansfield, Pennsylvania and had assets totaling \$787.9 million at September 30, 2010. FCNB is a wholly owned subsidiary of Citizen's Financial Services Incorporated; a one-bank holding company also located in Mansfield Pennsylvania. The bank operates in a rural, non-MSA area. FCNB has one operating subsidiary (First Citizens Insurance Bank Agency). During the evaluation period, the bank purchased one branch from another financial institution. The branch is located at 1485 South Main Street in Mansfield, Pa. Other than this branch, the bank did not acquire any other branches in Pennsylvania or New York during the evaluation period.. The bank also relocated a branch office in Wellsboro, PA during the evaluation period from 99 Main Street to 1 Pearl Street. Although the branch has been relocated, the bank has continued to maintain an ATM at the Main Street location and has also added an ATM at the new branch site on Pearl Street.

FCNB is an interstate institution with 16 branches throughout Tioga, Bradford, and Potter counties in Pennsylvania. They also have one branch in Allegany County, New York. This county was designated as a distressed middle-income county throughout the evaluation period while Potter County in Pennsylvania was designated as a distressed middle-income county during 2008. In addition to operating ATMs at each branch location, the bank maintains a stand-alone, non-deposit taking ATM at Mansfield University; and a stand-alone ATM at their former Main Street location in Wellsboro, PA. Drive-in facilities are located at all branches except Mansfield Wal-Mart (Tioga County), Weis Supermarket (Tioga County), Gillet (Bradford County), LeRaysville (Bradford County) and Genesee (Potter County) branch locations. During the evaluation period, FCNB purchased Elmira Savings Bank's Mansfield, PA branch in November 21, 2008, and relocated another branch from 99 Main St. to 1 Pearl St in Wellsboro, PA. The Bank did not consolidate any branches or ATM locations.

The bank's business focus is providing retail banking services to the community. FCNB offers a full range of loan, deposit, and trust services and the offers Telephone and internet banking.

As of September 30, 2010 FCNB had net loans of \$469 million or 59.5% of total assets. The loan portfolio is comprised of 46.7% residential real estate loans, 37% commercial and commercial real estate loans, 10% municipal loans, 5% consumer loans, and 1.5% agricultural loans. Tier 1 Capital is \$58.8 million.

There were no legal, financial or other factors which would impede FCNB's ability to help meet the credit needs of their communities.

FCNB received a "Satisfactory" rating at their last CRA performance evaluation dated December 11, 2006.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period for the lending test is from January 1, 2008 through September 30, 2010. The evaluation period for the community development lending, investment and service tests covers activities from December 11, 2006 through January 3, 2011.

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

We included all small business and small farm loans originated and reported in 2008, 2009, through September 30, 2010. We analyzed all community development loans made from December 11, 2006 through January 3, 2011. For the Investment and Service tests, we considered qualified investment activity and FCNB's record of providing retail and community development services also from December 11, 2006 through January 3, 2011.

Data Integrity

Prior to this evaluation, the CRA data used in this examination was evaluated for consistency and accuracy during a data integrity examination. No issues were identified.

Selection of Areas for Full-Scope Review

Refer to the "Scope" section under the "State Ratings" section of this Report for details regarding how the areas were selected.

Ratings

The bank's overall rating is a blend of the state ratings. The bank's activities within the Pennsylvania non-MSA AA (PA AA) were given the most weight as all but one of the bank's branches is located in PA AA. Consequently, the vast majority of the bank's business originates from within this AA. The New York non-MSA AA (NY AA) was given less weight, as the bank did not have a branch within this AA until 2005 and maintained only one branch during the evaluation period.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

State Rating

State of PENNSYLVANIA

| | |
|--------------------------------------|---------------------------------|
| CRA Rating for Pennsylvania: | <u>High Satisfactory</u> |
| The lending test is rated: | High satisfactory |
| The investment test is rated: | High satisfactory |
| The service test is rated: | High satisfactory |

The major factors that support this rating include:

- The lending test for the bank’s AA in Pennsylvania showed responsiveness to community credit needs. Lending to individuals of different incomes for Home Purchase Loans is excellent. Home Refinance Loans to individuals of different incomes is good. Geographic distribution of Home Purchase Loans is adequate, Geographic distribution of Home Refinance Loans is good;
- Borrower distribution to small business is good;
- Community development lending had a positive effect on the rating;
- The level of community development investments is good;
- Retail services are readily accessible throughout the assessment area; and,
- The level of community development services is good.

Description of Institution’s Operations in PENNSYLVANIA

FCNB is an interstate institution with 16 branches throughout Tioga, Bradford, and Potter counties in Pennsylvania. In addition to operating ATMs at each branch location, the bank also maintains two stand-alone ATM’s; one at Mansfield University (which does not take deposits), and one at 99 Pearl Street in Wellsboro, PA. The bank’s branches in Pennsylvania are located throughout Tioga, Potter, and Bradford counties. They constitute the bank’s PA AA. The area is a non-MSA AA and is comprised of 29 census tracts; one of which is moderate-income. The remaining 28 tracts are all middle-income tracts. The area is rural and economic growth is limited. Consequently, there are few other banks with significant operations in the area. During 2008 a portion of this AA (Potter County) was designated as a distressed middle-income nonmetropolitan area. FCNB competes for deposits with several other national and state-chartered banks. Within the counties of the PA AA, the bank maintains a significant deposit market share. According to the FDIC Market Share Report dated June 30, 2010, FCNB maintains 16 offices within the PA AA (34.19% market share). FCNB’s main competitors are Citizens & Northern Bank with 13 offices, (34.86% market share), Northwest Savings Bank with nine offices, (11.54% market share), and Peoples STB of Wyalusing, Pa. with five offices, (8.17% market share).

Refer to the market profile for the State of Pennsylvania AA in appendix C for detailed demographics and other performance context information for AAs that received full-scope reviews.

State Rating

State of New York

| | |
|--------------------------------------|---------------------------------|
| CRA Rating for New York: | <u>High Satisfactory</u> |
| The lending test is rated: | High satisfactory |
| The investment test is rated: | Requires Improvement |
| The service test is rated: | High satisfactory |

The major factors that support this rating include:

- The lending test for the bank's sole AA in New York showed responsiveness to community credit needs. Geographic distribution of both HMDA products is good, while borrower distribution for home purchase, home refinance loans, small loans to business and small loans to farms is excellent;
- The level of community development services is good;
- The level of community development lending is adequate; and
- The level of community development investments requires improvement.

Description of Institution's Operations in NEW YORK

FCNB's operations within the NY AA are limited compared with those in Pennsylvania. The bank opened its first and only branch in the state in 2005. The AA encompasses Allegany County and contains 12 census tracts; none are designated low- or moderate-income. Allegany County is designated as a distressed nonmetropolitan middle-income geography (as defined in the CRA regulation).

As the bank has only one branch, operations in the NY AA are limited compared with those in Pennsylvania. However, economic and competitive conditions are similar to those in the bank's adjoining PA AA. The bank competes with three other nationally and state chartered institutions in the county for deposits. In aggregate, three of these institutions have captured approximately 90% of deposits. According to the FDIC Market Share Report dated June 30, 2010, FCNB has a marginal market share of deposits in the NY AA with one office (6.56% market share). FCNB's main competitors are Community Bank NA with nine offices (47.27% market share), Stuben Trust Co. with seven offices (35.89% market share) and Five Star Bank with one office (7.62% market share).

Scope of Evaluation in Pennsylvania and New York

Each state had one AA. Both AAs are Non-MSAs. The bank's activities in the Pennsylvania Non-MSAs were weighted more heavily than the New York activities due to their single branch location in New York State.

During the examination, a community contact was consulted to assist in identifying the needs of the bank's AAs. The contact was the director of a local non-profit economic development organization. Economic development of the area and developing funding for local low and moderate-income rental housing units was identified by the contact as the primary needs within the AA. The bank's ability to assist with these needs and its past performance in doing so was assessed during this review.

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test in both states is rated "High Satisfactory."

Lending Activity

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

An indicator that the bank is lending is the loan to deposit ratio. Over the course of evaluation period, the bank's quarterly average ratio was 82%. For comparison, the average loan to deposit ratio for the bank's peer group of similarly sized banks in the state of Pennsylvania was similar at 84%. The bank maintains significant deposit market share with 2-3 other banks in the Pennsylvania AA, but has a marginal deposit market share in the newer NY AA with a single branch presence.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

Refer to Tables 2, 3, 4 and 5 of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases and home mortgage loan refinance loans. Geographic distribution of multi-family and home-improvement loans is not discussed. The bank originated no loans of these types within the AA during the evaluation period; therefore an analysis is not meaningful.

Performance in the Pennsylvania Non-MSA Assessment Area:

Home purchase loan geographic distribution is adequate. For the evaluation period, no home purchase loans made to borrowers within the single moderate-income tract in the AA. However, there is only one moderate census tract in this AA which contains less than two percent of the owner occupied housing units in the AA. Considering this lack of available housing and that a moderate income family earns between \$27,050 and \$43,280, according to the HUD adjusted median family income for 2010 with the Median Housing Value within the AA of \$72,607 this performance is reasonable.

The home mortgage refinance loan geographic distribution is excellent. For the evaluation period, the percentage of home refinance loans made to individuals within the single moderate-income tract significantly exceeded the percentage of owner occupied units within this census tract.

Performance in the New York Non-MSA Assessment Area:

The NY AA contains no low- or moderate-income geographies. However, the AA has been designated as distressed middle-income geography. The geographic distribution of home purchase loans is good. The bank's entire portfolio of home purchase loans is made to borrowers in middle-income geographies. As the area is distressed, additional weight is given to this lending activity.

The geographic distribution of home mortgage refinance loans is good. The bank's entire portfolio of home refinance loans is made to borrowers in middle-income geographies. As the area is distressed, additional weight is given to this lending activity.

Small Loans to Businesses

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

PA AA

Geographic distribution of small loans to businesses is adequate. The percentage of bank loans is somewhat less than the percentage of businesses within the moderate-income census tract. However, the opportunity to lend within low- or moderate-income tracts is limited as there is only one moderate-income tract within the Pennsylvania Non-MSA AA. The bank's market share within this tract does exceed the percentage of small businesses located within this single moderate-income census tract. FCNB is second in market share in Bradford, Potter and Tioga counties with a market share of 18.65%, 16.15% and 20.82%; out of 31, 21, and 29 lenders, respectively.

NY AA

Geographic distribution of small loans to businesses is good. There are no low- or moderate-income tracts within the AA however the AA has been designated as a distressed nonmetropolitan middle-income geography. FCNB ranks ninth (9) out of twenty-seven (27) lenders in Allegany County for a 3.97% market share.

Small Loans to Farms

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

PA AA

Geographic distribution of small loans to farms is adequate. Though there are currently no small loans to farms within low- or moderate-income geographies, the opportunities for the bank to lend are limited as there is only one moderate-income tract within the PA AA.

NY AA

Geographic distribution of small loans to farms is good. There are no low- or moderate-income tracts within the AA. However, Allegany County has been designated a distressed area and all farm loans were made to middle-income geographies. Given the limited number of small farm loans made by the bank in the AA, this part of the lending test is not weighted heavily.

Lending Gap Analysis

No conspicuous gaps appear in FCNB's lending patterns throughout the AAs.

Inside/Outside Ratio

An analysis of the bank's lending within its AAs was performed. A substantial majority (92%) of the bank's HMDA lending between January 1, 2008 and September 30, 2010 occurred within the bank's AA. A high level of lending within the bank's AA reflects favorably on the bank's distribution of lending by income level of geography.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

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

PA AA

Home purchase loan borrower distribution within the PA AA is excellent. Lending to low-income borrowers has improved from 2006 and significantly exceeds the percentage of low-income borrowers in the AA. The bank's percentage of lending to moderate-income borrowers is near to the percentage of moderate-income families in the AA.

The borrower distribution of home mortgage refinance loans is good. Lending to low-income borrowers is somewhat lower than the percentage of low-income families in the AA. The

bank's percentage of lending to moderate-income borrowers exceeds the percentage of moderate-income families.

NY AA

Home purchase loan borrower distribution within the NY AA is good. The percentage of bank loans to low-income borrowers is somewhat less than the percentage of low-income families. The percentage of bank loans to moderate-income borrowers exceeds the percentage of moderate-income families.

The borrower distribution of home mortgage refinance loans is good. The percentage of bank loans made to low-income borrowers is lower than the percentage of low-income borrowers in the AA. The percentage of bank loans made to moderate-income borrowers substantially exceeds the percentage of moderate-income families within the AA.

When considering the HUD adjusted Median Family Income for 2010, a low-income family earns less than \$25,260 and a moderate-income family earns between \$26,260 and \$44,240 with the median housing value at \$53,367, this performance is good. Fifteen percent of the households in this AA are below the poverty level.

Small Loans to Businesses

Refer to Table 11 in the state of Pennsylvania and New York section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

PA AA

Distribution of small loans to businesses is excellent. The percentage of small loans made to businesses exceeds the percentage of small businesses in the AA. The market share of bank loans made to small businesses also exceeds the bank's market share of all loans to businesses.

NY AA

Distribution of small loans to business is excellent. The percentage of small loans made to businesses exceeds the percentage of small businesses in the AA. The market share of bank loans made to small businesses also exceeds the bank's market share of all loans to businesses. A significant majority of loans are below \$100,000.

Small Loans to Farms

Refer to Table 12 in the state of Pennsylvania and New York section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

PA AA

Distribution of small loans to farms is adequate. During the evaluation period, the distribution of small loans to farms with revenues of less than \$1 million was somewhat less than the percentage of all farms with revenues under \$1 million. The majority of these loans were less than \$100,000. Additionally, the bank's market share of loans under \$1 million exceeded the bank's overall market share for loans made to farms.

NY AA

The borrower distribution of small loans to farms is excellent. For the evaluation period, small loans to farms (farms with revenues of \$1 million or less) represent 100% of all small loans to farms in the non-MSA. The bank's lending to small farms exceeds the percentage of small farms in the non-MSA.

Community Development Lending

Refer to Table 1 Lending Volume section of appendix D for the facts and data used to evaluate the bank's level of community development lending.

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

During the evaluation period, six loans were made to help local development authority services. These loans amounted to approximately \$2.2 million and \$10,000 in Pennsylvania and New York, respectively.

Product Innovation and Flexibility

The bank's products are traditional and not particularly innovative. However, the products are flexible and can meet the needs of low- and moderate-income borrowers or small business.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

PA AA

The bank's performance under the investment test in Pennsylvania is rated High Satisfactory. Based on full-scope reviews, the bank's performance in the Pennsylvania Non-MSA AA is good.

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

During the evaluation period, the bank retained three investments totaling \$955,257 through three different housing projects which benefit low- and moderate-income senior citizens. This is responsive to low- and moderate-income housing needs within the AA.

The bank's total other qualified investments during the evaluation period were \$93,108. The grants and donations were made to a variety of health, economic development, and educational non-profit organizations. These investments represent responsiveness to the needs of the community as economic opportunities were identified as a primary need within the assessment area.

NY AA

The bank's performance under the investment test in New York is rated poor. The bank's total other qualified investments during the evaluation period were \$375. These grants and donations were made to several, economic development, and educational non-profit organizations.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test in Pennsylvania is rated "High Satisfactory". Based on full-scope reviews, the bank's performance in the Pennsylvania Non-MSA AA is good.

Service Test for the Pennsylvania Non-MSA Assessment Area

Retail Banking Services

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

The bank's 16 branches within the PA AA are entirely located within middle-income tracts. However, there is only one moderate-income tract and no low-income tracts within the AA. Potter County, which is part of the bank's AA, was designated as distressed middle-income geography during 2008. FCNB opened one new branch in the PA AA which was acquired through a purchase from another financial institution. FCNB also relocated another branch within the AA. The relocation was the move of the Wellsboro branch from 99 Main Street to 1 Pearl Street. The relocation was within the same middle-income census tract in the PA non-MSA AA. The relocated branch is less than two miles from the original branch. An ATM remains in place at the former location.

FCNB offers free checking accounts which have no monthly or per-check fees. The bank also offers an interest-bearing no-fee checking account for customers over the age of 55. There is an additional checking product targeted toward small businesses with low transaction volumes. The bank also offers rural housing mortgages, Freddie Mac affordable mortgages, and Small Business Administration (SBA) guaranteed loans.

During the evaluation period the bank also serviced 129 community economic development loans totaling \$3,606,033 for three local community economic development groups. These groups include: Central Bradford County Economic Development Authority, Valley Economic

Development Authority, and the Borough of Sayre Urban Development Action Grant Loan Review Committee. The majority of these loans are serviced free of charge. The remaining loans are serviced at a nominal servicing charge.

Banking hours and services are provided Monday through Friday, and are supplemented by Saturday hours at a majority of the banking facilities. The bank maintains ATMs at each branch site with one at a remote site at a local college and another at a relocated branch office. The bank offers Internet and telephone banking to all customers. Information on the utilization of these services by low- and moderate-income individuals was not available to examiners. Therefore, significant weight was not placed on these two alternative delivery systems when drawing conclusions for the AA under the Service Test.

Community Development Services

FCNB provides a good level of qualified community development services within its AA. Fourteen bank employees, officers or directors provided financial and technical expertise to thirteen separate and qualified community development organizations. Their community development services focused on affordable housing and community services targeted to low- and moderate-income individuals and families. All of the services provided targeted the identified needs of the AA. The following details the community development services that were provided during the evaluation period:

- Two officers provide financial and technical expertise by serving on the loan committee of a local organization that promotes the economic development of Tioga County, PA.
- Two officers provide financial and technical expertise by serving on the loan committee of a local organization that promotes economic development through out the bank's PA AA.
- One officer and one director provide financial and technical expertise by serving on the loan committee of a local organization that promotes the economic development in Mansfield, PA.
- One officer and one director serve on the board of directors and offer technical advice to a local organization that promotes economic development in Mansfield, PA.
- Three directors serve on the board of directors and offer technical advice to a local organization that provides low income housing and economic development through out Bradford County, PA.
- One officer serves as a vice-chairman of a local organization that provides low income housing and economic development through out Potter County, PA.
- One officer serves as president of a local organization that offers care for disadvantaged children throughout the banks PA AA.
- One officer serves as president of a local organization that offers food to low-and moderate-income individuals in Ulysses, PA.

- One director serves on the board of directors and offers technical advice to a local organization that provides economic development in the borough of Wellsboro, PA.
- Two directors and one officer serve on the board of directors and offers technical advice to a local organization which provides financing of low income housing through out Bradford and Tioga counties in PA.
- One employee serves on the board of directors and offers technical advice to a local public development corporation.
- One officer serves on the board of directors and offers technical advice to a local organization that provides for economic development through out the banks Pa AA.
- One officer serves on the loan committee and offers technical advice to a local organization that provides economic development in the Borough of Sayre, PA.

Service Test for the New York Non-MSA Assessment Area

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test in New York is rated High Satisfactory. Based on full-scope reviews, the bank's performance in the New York Non-MSA AA is good.

Retail Banking Services

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

The bank's single branch within the New York non-MSA AA is in a middle-income tract. However, there are no moderate-income tracts and no low-income tracts within the AA. The AA was also considered a distressed middle-income geography through out the evaluation period.

FCNB offers the same products and services in the New York market as it does in Pennsylvania. Please refer to the description in the Pennsylvania AA Service test.

Community Development Services

FCNB provides an adequate level of qualified community development services within its AA. Two bank officers provided financial and technical expertise to one qualified community development organization. The following details the community development services that were provided during the evaluation period:

- One officer serves on the board of directors and offers technical advice to a local organization that provides for economic development through out the bank's AA.
- One officer serves on the loan committee and offers technical advice to a local organization that provides for economic development through out the bank's AA.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

| | | |
|--|--|--------------------------|
| Time Period Reviewed | Lending Test (excludes CD loans): (01/01/08 to 09/30/10) Investment and Service Tests and CD Loans: (12/11/06 to 1/3/11) | |
| Financial Institution | Products Reviewed | |
| (First Citizens National Bank (FCNB) Mansfield, Pennsylvania) | HMDA (Home mortgage & Home mortgage refinance only) Small Loans to Business Small loans to Farms | |
| Affiliate(s) | Affiliate Relationship | Products Reviewed |
| NONE. | | |
| List of Assessment Areas and Type of Examination | | |
| Assessment Area | Type of Exam | Other Information |
| Pennsylvania AA | FULL SCOPE | |
| New York AA | FULL SCOPE | |

Appendix B: Summary of Multistate Metropolitan Area and State Ratings

| RATINGS | | BANK NAME | | |
|------------------------------|----------------------|------------------------|---------------------|--------------------------------------|
| Overall Bank: | Lending Test Rating* | Investment Test Rating | Service Test Rating | Overall Bank/State/Multistate Rating |
| First Citizens National Bank | High Satisfactory | High Satisfactory | High Satisfactory | Satisfactory |
| State: | | | | |
| Pennsylvania | High Satisfactory | High Satisfactory | High Satisfactory | Satisfactory |
| New York | High Satisfactory | Needs Improvement | High Satisfactory | Satisfactory |

(*) The lending test is weighted more heavily than the investment and service tests in the overall rating.

Appendix C: Market Profiles for Full-Scope Areas

State of Pennsylvania

Institution ID: First Citizens NB

First Citizens PA Non-MSA AA

| Demographic Information for Full Scope Area: First Citizens Pa NonMSA AA | | | | | | |
|--|---------|-------------------------|---|------------------|------------------------------------|---------------|
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # | NA* % of # |
| Geographies (Census Tracts/BNAs) | 29 | 0.00 | 3.45 | 96.55 | 0.00 | 0.00 |
| Population by Geography | 122,214 | 0.00 | 1.89 | 98.11 | 0.00 | 0.00 |
| Owner-Occupied Housing by Geography | 36,003 | 0.00 | 1.93 | 98.07 | 0.00 | 0.00 |
| Business by Geography | 6,718 | 0.00 | 2.60 | 97.40 | 0.00 | 0.00 |
| Farms by Geography | 580 | 0.00 | 1.21 | 98.79 | 0.00 | 0.00 |
| Family Distribution by Income Level | 33,607 | 19.76 | 20.55 | 23.78 | 35.91 | 0.00 |
| Distribution of Low and Moderate Income Families throughout AA Geographies | 13,547 | 0.00 | 2.49 | 97.51 | 0.00 | 0.00 |
| Median Family Income HUD Adjusted Median Family Income for 2010 Households Below Poverty Level | | 41,475 54,100 12% | Median Housing Value Unemployment Rate (October 2010 U.S. Dept. of Labor) Bradford County Potter County Tioga County | | 72,607 6.8% 9.9% 7.1% | |

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

Source: 2000 US Census and 2010 HUD updated MFI. U.S. 2010 Dept. of Labor.

FCNB has 16 branches throughout Tioga, Bradford, and Potter counties in Pennsylvania. In addition to operating ATMs at each branch location, the bank also maintains two stand-alone ATM's; one at Mansfield University which does not take deposits, and one at 99 Pearl Street in Wellsboro, PA. These three counties, in their entirety, constitute the bank's AA within the state. The area is a non-MSA AA and is comprised of 29 tracts, one of which is moderate-income. The remaining 28 tracts are all middle-income tracts. The area is rural and economic growth is limited. Consequently, there are few other banks with significant operations in the area. During 2008 a portion of this AA (Potter County) was designated as a distressed middle-income nonmetropolitan area (as designated in the CRA Regulation). The unemployment rate for both Bradford and Tioga counties at 6.9% and 7.1% was less than the unemployment rate for the state of Pennsylvania at 8.8%. However, the unemployment rate for Potter County at 9.9% exceeded the rate for the State of Pennsylvania. The AA, as a whole, had 12% of its households below the poverty level. FCNB competes for deposits with several other national and state-chartered banks. Within the counties of the AA, the bank maintains a significant deposit market share. This was also noted for two or three other institutions in each county. According to the FDIC Market Share Report dated June 30, 2010, FCNB maintains 16 offices within the AA (34.19% market share). FCNB's main competitors are Citizens & Northern Bank with 13 offices, (34.86% market share), Northwest Savings Bank with nine offices, (11.54% market share), and Peoples STB of Wyalusing, Pa. with five offices, (8.17% market share).

State of New York

Institution ID: First Citizens NB

First Citizens NY Non-MSA AA

| Demographic Information for Full Scope Area: First Citizens NY NonMSA AA | | | | | | |
|--|--------|-------------------------|--|------------------|-----------------|---------------|
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # | NA* % of # |
| Geographies (Census Tracts/BNAs) | 12 | 0.00 | 0.00 | 83.33 | 8.33 | 8.33 |
| Population by Geography | 44,613 | 0.00 | 0.00 | 85.90 | 14.08 | 0.02 |
| Owner-Occupied Housing by Geography | 11,684 | 0.00 | 0.00 | 92.40 | 7.58 | 0.02 |
| Business by Geography | 2,267 | 0.00 | 0.00 | 89.19 | 10.45 | 0.35 |
| Farms by Geography | 198 | 0.00 | 0.00 | 93.43 | 6.57 | 0.00 |
| Family Distribution by Income Level | 10,758 | 21.12 | 20.32 | 24.22 | 34.34 | 0.00 |
| Distribution of Low and Moderate Income Families throughout AA Geographies | 4,458 | 0.00 | 0.00 | 95.38 | 4.62 | 0.00 |
| Median Family Income HUD Adjusted Median Family Income for 2010 Households Below Poverty Level | | 41,761 55,300 15% | Median Housing Value Unemployment Rate (US Dept. of Labor October 2010) Allegany County | | 53,357 7.9% | |

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

Source: 2000 US Census and 2010 HUD updated MFI. U.S. Dept. of Labor 2010.

FCNB's presence within the NY AA is limited. The bank opened its first and only branch in the state in 2005. The AA encompasses Allegany County and contains 12 census tracts; none designated low- or moderate-income. Allegany County is designated as a distressed nonmetropolitan middle-income geography (as defined in the CRA regulation). The unemployment in the NY AA at 7.9% is comparable to the unemployment rate for the state of New York at 8%. However, 15% of the households in NY AA are below the poverty level.

Economic and competitive conditions are similar to those in the bank's adjoining Pennsylvania AA. The bank competes with three other nationally and state chartered institutions in the county for deposits. In aggregate, three of these institutions have captured approximately 93% of deposits. According to the FDIC Market Share Report dated June 30, 2010, FCNB has a marginal market share of deposits in the AA with one office (6.56% market share). FCNB's main competitors are Community Bank NA with nine offices (47.27% market share), Stuben Trust Co. with seven offices (35.89% market share) and Five Star Bank with one office (7.62% market share).

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank, if applicable, over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories. **Table not included.**
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the

percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

- Table 3. Geographic Distribution of Home Improvement Loans - Table not included.**
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans - See Table 2.**
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. **Table not included.**
- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.

- Table 9. Borrower Distribution of Home Improvement Loans - Table not included.**
- Table 10. Borrower Distribution of Refinance Loans - See Table 8.**
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area. **Table not included.**
- Table 14. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Tables of Performance Data

Pennsylvania and New York Assessment Area(s)

State of Pennsylvania and New York

Table 1. Lending Volume

| LENDING VOLUME | | | | | | | | | | | | |
|--|--------------------------------------|---------------|------------|---------------------------|------------|----------------------|------------|-------------------------------|------------|----------------------|------------|---------------------------------------|
| Geography: FIRST CITIZENS AA | | | | | | | | | | | | |
| Evaluation Period: JANUARY 1, 2008 TO SEPTEMBER 30, 2010 | | | | | | | | | | | | |
| Assessment Area (2010): | % of Rated Area Loans (#) in MA/AA * | Home Mortgage | | Small Loans to Businesses | | Small Loans to Farms | | Community Development Loans** | | Total Reported Loans | | % of Rated Area Deposits in MA/AA *** |
| | | # | \$ (000's) | # | \$ (000's) | # | \$ (000's) | # | \$ (000's) | # | \$ (000's) | |
| Full Review: | | | | | | | | | | | | |
| First Citizens NY No | 5.94 | 20 | 811 | 50 | 2,627 | 7 | 438 | 1 | 6 | 78 | 3,882 | 4.21 |
| First Citizens PA No | 94.06 | 20 | 1,594 | 923 | 93,865 | 289 | 22,803 | 3 | 675 | 1,235 | 118,937 | 95.79 |

* Loan Data as of September 30, 2010. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from December 11, 2006 to January 03, 2011.

*** Deposit Data as of January 10, 2011. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

| Geographic Distribution: HOME PURCHASE | | Geography: FIRST CITIZENS AA | | | | Evaluation Period: JANUARY 1, 2008 TO SEPTEMBER 30, 2010 | | | | | | Market Share (%) by Geography* | | | | |
|--|---------------------------|------------------------------|------------------------|-----------------|-----------------------------|--|---------------------------|--------------|--------------------------|--------------|----------|--------------------------------|------|------|------|--|
| Assessment Area: | Total Home Purchase Loans | | Low-Income Geographies | | Moderate-Income Geographies | | Middle-Income Geographies | | Upper-Income Geographies | | Overa II | Low | Mod | Mid | Upp | |
| | # | % of Total** | % Owner Occ Units*** | % BANK Loans*** | % Owner Occ Units*** | % BANK Loans | % Owner Occ Units*** | % BANK Loans | % Owner Occ Units*** | % BANK Loans | | | | | | |
| Full Review: | | | | | | | | | | | | | | | | |
| First Citizens NY NonMSA AA | 7 | 53.85 | 0.00 | 0.00 | 0.00 | 0.00 | 92.42 | 100.00 | 7.58 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| First Citizens PA NonMSA AA | 6 | 46.15 | 0.00 | 0.00 | 1.93 | 0.00 | 98.07 | 100.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |

* Based on 2009 Peer Mortgage Data (USPR)

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

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

| Geographic Distribution: HOME MORTGAGE REFINANCE | | Geography: FIRST CITIZENS AA | | | | Evaluation Period: JANUARY 1, 2008 TO SEPTEMBER 30, 2010 | | | | | | Market Share (%) by Geography* | | | | |
|--|-------------------------------------|------------------------------|------------------------|------------------|-----------------------------|--|---------------------------|--------------|--------------------------|--------------|---------|--------------------------------|------|------|------|--|
| Assessment Area: | Total Home Mortgage Refinance Loans | | Low-Income Geographies | | Moderate-Income Geographies | | Middle-Income Geographies | | Upper-Income Geographies | | Overall | Low | Mod | Mid | Upp | |
| | # | % of Total** | % Owner Occ Units*** | % BANK Loans**** | % Owner Occ Units*** | % BANK Loans | % Owner Occ Units*** | % BANK Loans | % Owner Occ Units*** | % BANK Loans | | | | | | |
| Full Review: | | | | | | | | | | | | | | | | |
| First Citizens NY NonMSA AA | 13 | 48.15 | 0.00 | 0.00 | 0.00 | 0.00 | 92.42 | 100.00 | 7.58 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| First Citizens PA NonMSA AA | 14 | 51.85 | 0.00 | 0.00 | 1.93 | 7.14 | 98.07 | 92.86 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |

* Based on 2009 Peer Mortgage Data (USPR)

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

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 6. Geographic Distribution of Small Loans to Businesses

| Geographic Distribution: SMALL LOANS TO BUSINESSES | | Geography: FIRST CITIZENS AA | | | | | Evaluation Period: JANUARY 1, 2008 TO SEPTEMBER 30, 2010 | | | | | Market Share (%) by Geography* | | | | |
|--|----------------------------|------------------------------|------------------------|--------------|-----------------------------|--------------|--|--------------|--------------------------|--------------|---------|--------------------------------|------|-------|------|--|
| Assessment Area: | Total Small Business Loans | | Low-Income Geographies | | Moderate-Income Geographies | | Middle-Income Geographies | | Upper-Income Geographies | | Overall | Low | Mod | Mid | Upp | |
| | # | % of Total* | % of Businesses*** | % BANK Loans | % of Businesses*** | % BANK Loans | % of Businesses*** | % BANK Loans | % of Businesses*** | % BANK Loans | | | | | | |
| Full Review: | | | | | | | | | | | | | | | | |
| First Citizens NY NonMSA AA | 50 | 5.14 | 0.00 | 0.00 | 0.00 | 0.00 | 89.19 | 90.00 | 10.45 | 10.00 | 3.58 | 0.00 | 0.00 | 3.51 | 5.17 | |
| First Citizens PA NonMSA AA | 923 | 94.86 | 0.00 | 0.00 | 2.60 | 0.43 | 97.40 | 99.57 | 0.00 | 0.00 | 15.51 | 0.00 | 4.55 | 16.74 | 0.00 | |

* Based on 2009 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2010).

Table 7. Geographic Distribution of Small Loans to Farms

| Geographic Distribution: SMALL LOANS TO FARMS | | Geography: FIRST CITIZENS AA | | | | | Evaluation Period: JANUARY 1, 2008 TO SEPTEMBER 30, 2010 | | | | | Market Share (%) by Geography* | | | | |
|---|------------------------|------------------------------|------------------------|--------------|-----------------------------|--------------|--|--------------|--------------------------|--------------|---------|--------------------------------|------|-------|------|--|
| Assessment Area: | Total Small Farm Loans | | Low-Income Geographies | | Moderate-Income Geographies | | Middle-Income Geographies | | Upper-Income Geographies | | Overall | Low | Mod | Mid | Upp | |
| | # | % of Total** | % of Farms** * | % BANK Loans | % of Farms** * | % BANK Loans | % of Farms** * | % BANK Loans | % of Farms*** | % BANK Loans | | | | | | |
| Full Review: | | | | | | | | | | | | | | | | |
| First Citizens NY NonMSA AA | 7 | 2.36 | 0.00 | 0.00 | 0.00 | 0.00 | 93.43 | 100.00 | 6.57 | 0.00 | 13.04 | 0.00 | 0.00 | 15.00 | 0.00 | |
| First Citizens PA NonMSA AA | 289 | 97.64 | 0.00 | 0.00 | 1.21 | 0.00 | 98.79 | 100.00 | 0.00 | 0.00 | 51.50 | 0.00 | 0.00 | 54.30 | 0.00 | |

* Based on 2009 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2010).

Table 8. Borrower Distribution of Home Purchase Loans

| Borrower Distribution: HOME PURCHASE | | | | | | | | | | | | | | | |
|--|---------------------------|-------------|----------------------|-----------------|---------------------------|-----------------|-------------------------|------------------|------------------------|------------------|---------------|------|------|------|------|
| Geography: FIRST CITIZENS AA | | | | | | | | | | | | | | | |
| Evaluation Period: JANUARY 1, 2008 TO SEPTEMBER 30, 2010 | | | | | | | | | | | | | | | |
| Assessment Area: | Total Home Purchase Loans | | Low-Income Borrowers | | Moderate-Income Borrowers | | Middle-Income Borrowers | | Upper-Income Borrowers | | Market Share* | | | | |
| | # | % of Total* | % Families*** | % BANK Loans*** | % Families 1 | % BANK Loans*** | % Families*** | % BANK Loans**** | % Families** | % BANK Loans**** | Overall | Low | Mod | Mid | Upp |
| Full Review: | | | | | | | | | | | | | | | |
| First Citizens NY NonMSA AA | 7 | 53.85 | 21.12 | 14.29 | 20.32 | 28.57 | 24.22 | 42.86 | 34.34 | 14.29 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| First Citizens PA NonMSA AA | 6 | 46.15 | 19.76 | 33.33 | 20.55 | 16.67 | 23.78 | 0.00 | 35.91 | 50.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

* Based on 2009 Peer Mortgage Data (USPR)

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

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

1 Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

| Borrower Distribution: HOME MORTGAGE REFINANCE | | Geography: FIRST CITIZENS AA | | | | | Evaluation Period: JANUARY 1, 2008 TO SEPTEMBER 30, 2010 | | | | | Market Share* | | | | |
|--|-------------------------------------|------------------------------|----------------------|------------------|---------------------------|------------------|--|------------------|------------------------|-----------------|---------|---------------|------|------|------|--|
| Assessment Area: | Total Home Mortgage Refinance Loans | | Low-Income Borrowers | | Moderate-Income Borrowers | | Middle-Income Borrowers | | Upper-Income Borrowers | | Overall | Low | Mod | Mid | Upp | |
| | # | % of Total** | % Families** | % BANK Loans**** | % Families ² | % BANK Loans**** | % Families** | % BANK Loans**** | % Families** | % BANK Loans*** | | | | | | |
| Full Review: | | | | | | | | | | | | | | | | |
| First Citizens NY NonMSA AA | 13 | 48.15 | 21.12 | 7.69 | 20.32 | 38.46 | 24.22 | 23.08 | 34.34 | 30.77 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| First Citizens PA NonMSA AA | 14 | 51.85 | 19.76 | 14.29 | 20.55 | 28.57 | 23.78 | 28.57 | 35.91 | 28.57 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |

* Based on 2009 Peer Mortgage Data (USPR)

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

*** Percentage of Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

² Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 11. Borrower Distribution of Small Loans to Businesses

| Borrower Distribution: SMALL LOANS TO BUSINESSES | | Geography: FIRST CITIZENS AA | | | Evaluation Period: JANUARY 1, 2008 TO SEPTEMBER 30, 2010 | | | | |
|--|---------------------------------|------------------------------|---|------------------|--|-------------------------|---------------------------|---------------|-------------------------|
| Assessment Area: | Total Small Loans to Businesses | | Businesses With Revenues of \$1 million or less | | Loans by Original Amount Regardless of Business Size | | | Market Share* | |
| | # | % of Total** | % of Businesses** * | % BANK Loans**** | \$100,000 or less | >\$100,000 to \$250,000 | >\$250,000 to \$1,000,000 | All | Rev\$ 1 Million or Less |
| Full Review: | | | | | | | | | |
| First Citizens NY NonMSA AA | 50 | 5.14 | 76.05 | 96.00 | 90.00 | 10.00 | 0.00 | 3.58 | 13.64 |
| First Citizens PA NonMSA AA | 923 | 94.86 | 73.16 | 77.68 | 74.32 | 15.82 | 9.86 | 15.51 | 38.13 |

* Based on 2009 Peer Small Business Data -- US and PR

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

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2010).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.31% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

| Borrower Distribution: SMALL LOANS TO FARMS | | Geography: FIRST CITIZENS AA | | | Evaluation Period: JANUARY 1, 2008 TO SEPTEMBER 30, 2010 | | | | |
|---|----------------------------|------------------------------|--|------------------|--|-------------------------|-------------------------|---------------|-------------------------|
| Assessment Area: | Total Small Loans to Farms | | Farms With Revenues of \$1 million or less | | Loans by Original Amount Regardless of Farm Size | | | Market Share* | |
| | # | % of Total** | % of Farms*** | % BANK Loans**** | \$100,000 or less | >\$100,000 to \$250,000 | >\$250,000 to \$500,000 | All | Rev\$ 1 Million or Less |
| Full Review: | | | | | | | | | |
| First Citizens NY NonMSA AA | 7 | 2.36 | 97.47 | 100.00 | 85.71 | 14.29 | 0.00 | 13.04 | 16.67 |
| First Citizens PA NonMSA AA | 289 | 97.64 | 98.28 | 85.81 | 78.89 | 13.84 | 7.27 | 51.50 | 53.92 |

* Based on 2009 Peer Small Business Data -- US and PR

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

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2010).

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

Table 14. Qualified Investments

| QUALIFIED INVESTMENTS | | | | | | | | | |
|--|---------------------------|-----------|----------------------------|-----------|-------------------|-----------|------------|------------------------|-----------|
| Geography: FIRST CITIZENS AA | | | | | | | | | |
| Evaluation Period: JANUARY 1, 2008 TO SEPTEMBER 30, 2010 | | | | | | | | | |
| Assessment Area: | Prior Period Investments* | | Current Period Investments | | Total Investments | | | Unfunded Commitments** | |
| | # | \$(000's) | # | \$(000's) | # | \$(000's) | % of Total | # | \$(000's) |
| Full Review: | | | | | | | | | |
| First Citizens NY NonMSA AA | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 |
| First Citizens PA NonMSA AA | 3 | 1,437 | 3 | 955 | 6 | 2,392 | 100.00 | 4 | 1,175 |

* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

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

| DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS | | | | | | | | | | | | | | | | | |
|---|--------------------------------|--------------------|--------------------------------|---|------|--------|------|--|----------------------|---|-----|-----|-----|---------------------------------------|------|-------|-------|
| | | | | Geography: FIRST CITIZENS AA | | | | Evaluation Period: JANUARY 1, 2008 TO SEPTEMBER 30, 2010 | | | | | | | | | |
| MA/Assessment Area: | Deposits | Branches | | | | | | Branch Openings/Closings | | | | | | Population | | | |
| | % of Rated Area Deposits in AA | # of BANK Branches | % of Rated Area Branches in AA | Location of Branches by Income of Geographies (%) | | | | # of Branch Openings | # of Branch Closings | Net change in Location of Branches (+ or -) | | | | % of Population within Each Geography | | | |
| | | | | Low | Mod | Mid | Upp | | | Low | Mod | Mid | Upp | Low | Mod | Mid | Upp |
| Full Review: | | | | | | | | | | | | | | | | | |
| First Citizens NY NonMSA AA | 4.21 | 1 | 5.88 | 0.00 | 0.00 | 100.00 | 0.00 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 | 85.90 | 14.08 |
| First Citizens PA NonMSA AA | 95.79 | 16 | 94.12 | 0.00 | 0.00 | 100.00 | 0.00 | 1 | 1 | 0 | 0 | 0 | 0 | 0.00 | 1.89 | 98.11 | 0.00 |

Distribution of Branch and ATM Delivery System

| Distribution of Branch and ATM Delivery System | | | | | | | | | | | | | | | | | |
|--|--------------------------|--------------------|--------------------------|---|-----|-----|-----|--|----------------------|---|-----|-----|-----|---------------------------------------|------|-------|-------|
| | | | | Geography: FIRST CITIZENS AA | | | | Evaluation Period: JANUARY 1, 2008 TO SEPTEMBER 30, 2010 | | | | | | | | | |
| MA/Assessment Area: | Deposits | Branches | | | | | | ATMs | | | | | | Population | | | |
| | % of Total Bank Deposits | # of Bank Branches | % of Total Bank Branches | Location of Branches by Income of Geographies (%) | | | | # of Bank ATMs | % of Total Bank ATMs | Location of ATMs by Income of Geographies | | | | % of Population within Each Geography | | | |
| | | | | Low | Mod | Mid | Upp | | | Low | Mod | Mid | Upp | Low | Mod | Mid | Upp |
| Full Review: | | | | | | | | | | | | | | | | | |
| First Citizens NY NonMSA AA | 4.21 | 1 | 5.88 | 0 | 0 | 100 | 0 | 1 | 5.26 | 0 | 0 | 1 | 0 | 0.00 | 0.00 | 85.90 | 14.08 |
| First Citizens PA NonMSA AA | 95.79 | 16 | 94.12 | 0 | 0 | 100 | 0 | 18 | 94.74 | 0 | 0 | 18 | 0 | 0.00 | 1.89 | 98.11 | 0.00 |