

PUBLIC DISCLOSURE

(April 16, 2001)

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**PROMISTAR BANK
RSSD - 672818
JOHNSTOWN, PENNSYLVANIA**

**FEDERAL RESERVE BANK OF PHILADELPHIA
TEN INDEPENDENCE MALL, PHILADELPHIA, PA**

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of the entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it 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 Reserve Bank of Philadelphia concerning the safety and soundness of this financial institution.

Table of Contents

INSTITUTION'S CRA RATING	1
DESCRIPTION OF INSTITUTION	2
DESCRIPTION OF ASSESSMENT AREAS	3
SCOPE OF EXAMINATION	13
CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS	14
LENDING TEST.....	14
INVESTMENT TEST	47
SERVICE TEST.....	49
COMPLIANCE WITH FAIR LENDING LAWS	61

INSTITUTION'S CRA RATING

This institution is rated **Outstanding**.

Major factors contributing to this rating include:

- Bank lending levels reflect excellent responsiveness to assessment area credit needs.
- A substantial majority of loans are made in the bank's assessment areas.
- The geographic distribution of loans reflects good penetration throughout the bank's assessment areas.
- The distribution of lending to borrowers reflects good penetration among retail customers of different income levels.
- The distribution of loans to small businesses reflects excellent penetration among businesses of different sizes.
- The bank exhibits a good record of serving the credit needs of the most economically disadvantaged areas, low-income individuals and very small businesses, consistent with safe and sound banking practices.
- The bank has made a low level of community development loans.
- The bank makes extensive use of innovative and flexible lending practices in order to serve assessment area credit needs.
- The bank has a significant level of qualified community development investments and grants and is occasionally in a leadership position.
- Bank delivery systems are readily accessible to all portions of the bank's assessment area.
- The bank provides a relatively high level of community development services.

The following table indicates the performance level of Promistar Bank with respect to the lending, investment, and service tests.

PERFORMANCE TEST MATRIX			
Performance Levels	Lending Test*	Investment Test	Service Test
Outstanding	X		
High Satisfactory		X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

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

Promistar Bank

DESCRIPTION OF INSTITUTION

Promistar Bank (Promistar) headquartered in Johnstown, Cambria County, Pennsylvania, is a state chartered full-service commercial bank offering a variety of consumer and commercial banking services through 74 branch offices serving 13 counties in southwestern Pennsylvania. The bank also operates 58 automated teller machines (ATMs).

The following table details the locations of Promistar's 74 branches.

MSA	County	#of Branches
Johnstown		36
	Cambria	21
	Somerset	15
Pittsburgh		24
	Allegheny	7
	Butler	1
	Fayette	5
	Washington	1
	Westmoreland	10
Altoona		2
	Blair	2
Non-MSA		12
	Armstrong	3
	Bedford	6
	Greene	2
	Indiana	1

Promistar is the former Laurel Bank. On November 15, 2000, Laurel Bank's parent company, BT Financial Corporation, changed its name to Promistar Financial Corporation and changed the name of its subsidiary, Laurel Bank, to Promistar Bank. Promistar Financial Corporation is a \$2.1 billion bank holding company, also headquartered in Johnstown, PA.

As of 12/31/00, Promistar Bank reported \$2.0 billion in total assets of which \$1.5 billion, or 74%, are loans. The composition of the bank's loan portfolio is presented in the following table:

Promistar Bank

LOANS as of 12/31/00	\$000	%
Construction & Land Development	16,487	1.1%
Secured by Farm Land & Loans to Farmers	8,082	0.5%
Open-End Loans Secured by Residential Properties	26,126	1.7%
Closed-End Secured by Residential Property	501,409	33.0%
Commercial Mortgages	263,628	17.4%
Commercial and Industrial	186,176	12.3%
Consumer Loans	479,293	31.6%
Obligations of States and Political Subdivisions	35,522	2.3%
Other Loans	2,144	0.1%
GROSS LOANS	\$1,518,867	100%

Source: Consolidate Report of Income for the period ending December 31, 2000 (pages 11 and 12)

DESCRIPTION OF ASSESSMENT AREAS

For purposes of CRA and this written evaluation, geographies are categorized and defined as follows:

- Low-income geographies have a median family income less than 50% of the MSA median family income;
- Moderate-income geographies have a median family income from 50% to less than 80% of the MSA median family income;
- Middle-income geographies have a median family income from 80% to less than 120% of the MSA median family income;
- Upper-income geographies have a median family income equal to or greater than 120% of the MSA median family income.

Correspondingly, family income levels are categorized and defined as follows:

- Low-income families have a median family income of less than 50% of the MSA median family income;
- Moderate-income families have a median family income from 50% to less than 80% of the MSA median family income;
- Middle-income families have a median family income from 80% to less than 120% of the MSA median family income;
- Upper-income families have a median family income equal to or greater than 120% of the MSA median family income.

Median family income and all other demographic indices and statistics presented throughout this evaluation are based on 1990 U.S. Census data unless otherwise noted.

Promistar Bank

For purposes of CRA, Promistar has designated three assessment areas:

1. Johnstown assessment area
2. Pittsburgh assessment area
3. Altoona assessment area

Description of the Johnstown Assessment Area

The Johnstown assessment area comprises 70 geographies in Cambria and Somerset Counties, encompassing the entire Johnstown MSA, and 52 adjacent geographies encompassing the entire counties of Armstrong, Indiana and Bedford which are not located in an MSA. The demographic data for the Johnstown assessment area will be derived from the Johnstown MSA.¹

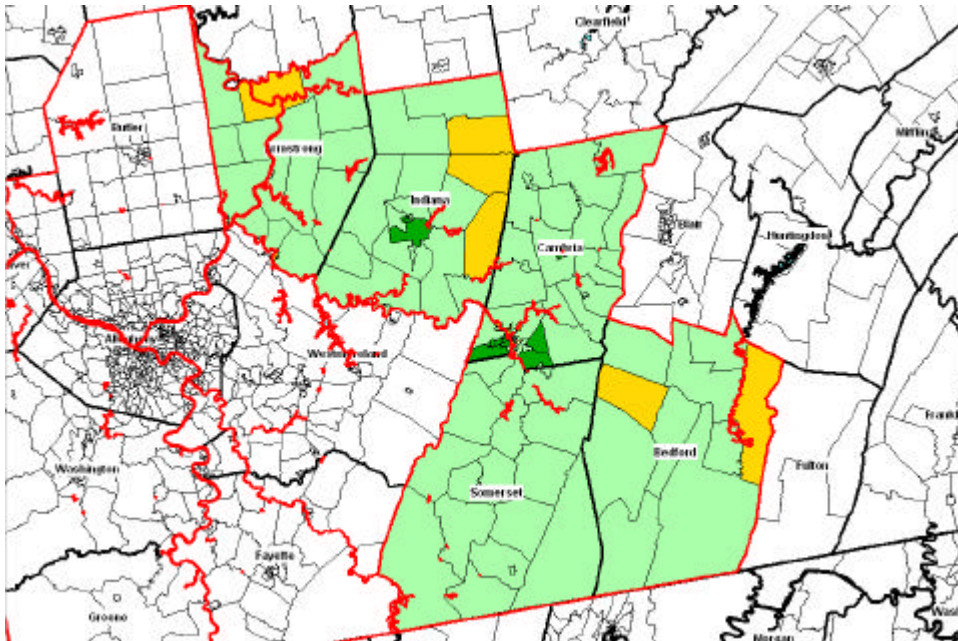
The following table presents relevant demographic information:

JOHNSTOWN ASSESSMENT AREA DEMOGRAPHICS BY GEOGRAPHY				
Type of Geography	Number of Geographies	Percent	Population of Geographies	Percent
Low-Income	4	3	1,929	1
Moderate-Income	16	13	44,370	10
Middle-Income	93	76	359,518	79
Upper-Income	9	8	46,821	10
Total	122	100%	452,638	100%

Of the 122 geographies in the assessment area, four are designated as low-income. Three of the four geographies designated as low-income are located in rural parts of western Somerset County and contain no population. The fourth low-income geography is located in the city of Johnstown in Cambria County. Less than 1% of the assessment area's population resides within this geography.

Of the 16 moderate-income geographies in the Johnstown assessment area, eight are located in the city of Johnstown in Cambria County, three are located in Armstrong County, three in Indiana County, and two in Bedford County. Approximately 10% of the assessment area's population resides within these moderate-income geographies.

¹ A full scope analysis of Promistar's CRA performance within the Altoona assessment area was not conducted as part of the evaluation. A discussion of the banks overall CRA performance in the Altoona assessment area begins on page 52.

Johnstown Assessment Area**Housing**

The Johnstown assessment area contains 191,352 housing units. Single family units comprise 69% of the housing units, while two-to-four family units comprise 12%, mobile homes 11% and multi-family units 6%. The median age of the housing stock is 44 years, which is the same as the median age for housing stock in the state of Pennsylvania. Median rent in the assessment area is \$292, with 34% of renters paying more than 30% of their income for housing. Median rent statewide is \$404, with 37% of renters paying more than 30% of their income for housing.

The overall owner occupancy rate in the assessment area is 67%, compared to 64% statewide. The median housing value in the assessment area is \$43,209 and there is not a significant disparity between the median housing value in the upper-income geographies (\$61,754) and middle-income geographies (\$42,358), and that in moderate-income geographies (\$31,063) and low-income geographies (\$28,333). Of the total owner-occupied housing units, 95% are valued at less than \$100,000, indicating that housing in the Johnstown assessment area is more affordable than in other areas. Statewide, 72% of housing units are valued at less than \$100,000.

Promistar Bank

The following table shows the number of owner-occupied housing units, compared to the number of total available units, for each geographic designation.

JOHNSTOWN ASSESSMENT AREA HOUSING PROFILE BY GEOGRAPHY			
Type of Geography	Total Units	Owner-Occupied Units	Percent Owner-Occupied
Low-Income	917	301	33
Moderate-Income	21,177	11,125	53
Middle-Income	152,120	104,845	69
Upper-Income	17,138	11,262	66
All Geographies	191,352	127,533	67

The percentage of owner-occupied units contained within designated geographies is used as a proxy to estimate demand for residential mortgage lending within such geographies. As the following table indicates, the vast majority of owner-occupied housing units (82%) are located in the middle-income geographies.

JOHNSTOWN ASSESSMENT AREA OWNER OCCUPANCY DISTRIBUTION BY GEOGRAPHY		
Type of Geography	Number of Owner-Occupied Units	Percentage of All Owner-Occupied Units
Low-Income	301	1
Moderate-Income	11,125	8
Middle-Income	104,845	82
Upper-Income	11,262	9
All Geographies	127,533	100%

Borrower Income Data

For purposes of evaluating the distribution of loans to borrowers of different income levels, incomes were classified based upon annually adjusted median family income data made available from the U.S. Department of Housing and Urban Development (HUD). According to 1990 Census Bureau Statistics, the median family income for the Johnstown assessment area was \$26,481, which was well below the median income level for the state at \$34,856. Of the families in the Johnstown assessment area, 39% are designated as low- or moderate-income. Approximately 86% of these low- and moderate-income families reside in the assessment area's middle- and upper-income geographies.

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The following table shows the number of families by HUD adjusted median family income level designation.

JOHNSTOWN ASSESSMENT AREA DEMOGRAPHICS BY INCOME LEVEL		
	Number of Families	Percent
Low-Income Families	23,217	19
Moderate-Income Families	25,219	20
Middle-Income Families	30,369	25
Upper-Income Families	45,345	36
Total Families	124,150	100%

Geographic Business Data

The percentage of small businesses located within designated geographies is used as a proxy to estimate demand for small business credit within such geographies. In Promistar's Johnstown assessment area, just 12% of the assessment area's small businesses are located in the low- and moderate-income geographies. The substantial majority of small businesses are located in middle- and upper-income geographies.

The following table shows the distribution of small businesses by geographic designation:

JOHNSTOWN ASSESSMENT AREA SMALL BUSINESS DISTRIBUTION BY GEOGRAPHY		
Type of Geography	Number of Small Businesses	Percent of Small Businesses
Low-Income	23	1
Moderate-Income	1,121	11
Middle-Income	7,778	77
Upper-Income	1,152	11
All Geographies	10,074	100%

Economic Characteristics

The area, particularly the City of Johnstown, has experienced a decline in both jobs and population over the last two decades due to the downsizing of its primary industries: coal and steel. Economic growth remains stagnant and the area's unemployment rate remains well above the state and national averages. Commercial activity has shifted from heavy manufacturing into service-related and light industrial business. A significant portion of the assessment area's population (18%) is over 65 years of age. Many of the elderly are long-time residents of the area and have limited or fixed incomes.

Promistar Bank

Major employers in the Johnstown MSA include Conemaugh Valley Memorial Hospital, Bestform Foundations, Inc., Lee Hospital, Seven Springs Farm, Inc. (tourism), Somerset Community Hospital, and the Johnstown America Corporation. The local and state governments are also major employers in the assessment area. The City of Johnstown is headquarters to two large banks: Promistar and AmeriServ Financial Bank (formerly US Bank). Several mid-size banks, including First Commonwealth Bank, 1st Summit Bank, and Somerset Trust Company, provide significant competition for Promistar Bank. Competition is also provided by many savings and loan associations and credit unions.

The seasonally unadjusted unemployment rates for the five counties included in the bank’s Johnstown assessment area, as well as rates for the Johnstown-MSA and the state, are presented in the following table:

	February 2001	February 2000
Cambria County	8.5%	7.1%
Somerset County	8.5%	7.9%
Armstrong County	9.0%	8.0%
Bedford County	8.6%	7.6%
Indiana County	8.1%	9.1%
Johnstown-MSA	8.5%	7.3%
Pennsylvania	5.2%	4.8%

In March 1999, the Consumer and Community Affairs Department of the Federal Reserve Bank of Philadelphia published a report titled “A Community Profile for Lenders: Johnstown”. The report provides information and insights into the perceived credit needs and opportunities in the Johnstown MSA. Information in the report was obtained from interviews and contacts with bankers, community organizations, and local government officials. The report also includes pertinent demographic and economic data regarding the city of Johnstown and the MSA. The report indicates that area banks are well integrated within the community and have responded well to perceived credit needs. In the report, prominent community leaders indicated that Promistar was involved in community development initiatives and programs in the assessment area.

Description of the Pittsburgh Assessment Area

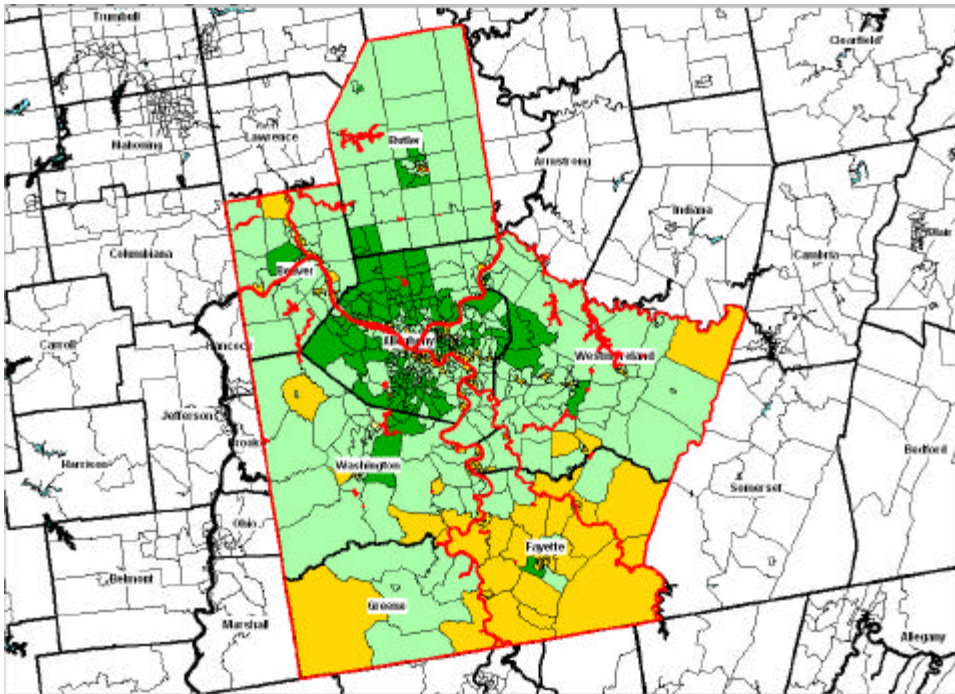
The Pittsburgh assessment area comprises 780 geographies in Allegheny, Fayette, Westmoreland, Beaver, Butler and Washington counties, encompassing the entire Pittsburgh MSA, and 8 adjacent geographies in Greene County, which is a non-MSA area. Demographic data for the bank’s Pittsburgh assessment area will be derived from the Pittsburgh MSA.

Promistar Bank

The following table presents relevant demographic information:

PITTSBURGH ASSESSMENT AREA DEMOGRAPHICS BY GEOGRAPHY				
Type of Geography	Number of Geographies	Percent	Population of Geographies	Percent
Low-Income	81	10	72,535	3
Moderate-Income	196	25	517,675	21
Middle-Income	358	46	1,256,089	52
Upper-Income	153	19	588,062	24
Total	788	100%	2,434,361	100%

Pittsburgh Assessment Area



Of the 81 low-income geographies in the assessment area, 71 are located in Allegheny County, five in Beaver County, three in Westmoreland County, and two in Washington County. The largest urban area in the assessment area is the city of Pittsburgh, located in Allegheny County. Just 3% of the assessment area's population resides in the low-income geographies.

Of the 196 moderate-income geographies, 101 are located in Allegheny County, 25 in Fayette County, 23 in Beaver County, 23 in Westmoreland County, 19 in Washington County, three in Butler County, and two in Greene County. Approximately 21% of the assessment area's population resides in the moderate-income geographies.

Housing

The Pittsburgh assessment area contains 1,031,190 housing units. Single family units comprise 65% of the housing units, while two-to-four family units comprise 17%, multi-family units 13% and mobile homes 4%. The median age of the housing stock is 44 years, the same as the median age for the state of Pennsylvania. Median rent in the assessment area is \$361, with 38% of renters paying more than 30% of their income for housing. Median rent state-wide is \$404, with 37% of renters paying more than 30% of their income for housing.

The overall owner-occupancy rate in the assessment area is 65%, compared to 64% statewide. The median housing value in the assessment area is \$54,837. There is some disparity between the median housing value in the upper-income geographies (\$83,534) and middle-income geographies (\$52,250), and that in moderate-income geographies (\$33,458) and low-income geographies (\$25,203). Of the total owner-occupied housing within the assessment area, 87% is valued at less than \$100,000, indicating that housing in the assessment area is more affordable than in other metropolitan areas. Statewide, 72% of housing units are valued at less than \$100,000.

The following table shows the number of owner-occupied housing units, compared to the number of total available units, for each geographic designation.

PITTSBURGH ASSESSMENT AREA HOUSING PROFILE BY GEOGRAPHY			
Type of Geography	Total Units	Owner-Occupied Units	Percent Owner-Occupied
Low-Income	32,261	8,532	26
Moderate-Income	240,482	127,566	53
Middle-Income	527,914	366,768	70
Upper-Income	230,533	170,929	74
All Geographies	1,031,190	673,795	65

Promistar Bank

The percentage of owner-occupied units contained within designated geographies is used as a proxy to estimate demand for residential mortgage lending within such geographies. As the following table illustrates, the majority of owner-occupied units in the Pittsburgh assessment area are located in the middle-income geographies and upper-income geographies.

PITTSBURGH ASSESSMENT AREA OWNER OCCUPANCY DISTRIBUTION BY GEOGRAPHY		
Type of Geography	Number of Owner-Occupied Units	Percentage of All Owner-Occupied Units
Low-Income	8,532	1
Moderate-Income	127,566	19
Middle-Income	366,768	54
Upper-Income	170,929	26
All Geographies	673,795	100%

Borrower Income Data

According to 1990 Census Bureau Statistics, the median family income for the assessment area was \$32,637, which was below the median income level for the state (\$34,856). Of the families in the Pittsburgh assessment area 38% are designated as low- or moderate-income. Approximately 64% of these low- and moderate-income families reside in the assessment area's middle- and upper-income geographies.

The following table shows the number of families by HUD adjusted median family income level designation.

PITTSBURGH ASSESSMENT AREA DEMOGRAPHICS BY INCOME		
	Number of Families	Percent
Low-Income Families	131,830	20
Moderate-Income Families	122,994	18
Middle-Income Families	152,254	23
Upper-Income Families	263,002	39
Total Families	670,080	100%

Geographic Business Data

The percentage of small businesses located within designated geographies is used as a proxy to estimate demand for small business credit within such geographies. In Promistar's Pittsburgh assessment area, approximately 26% of the assessment area's small businesses are located in the low- and moderate-income geographies. The majority of small businesses are located in middle- and upper-income geographies.

The following table shows the distribution of small businesses by geographic designation:

PITTSBURGH ASSESSMENT AREA SMALL BUSINESS DISTRIBUTION BY GEOGRAPHY		
Type of Geography	Number of Small Businesses	Percent of Small Businesses
Low-Income	2,569	4
Moderate-Income	12,591	22
Middle-Income	26,700	46
Upper-Income	16,492	28
All Geographies	58,352	100%

Economic Characteristics

The largest urban area in the assessment area is the city of Pittsburgh. The city's economy has slowed, along with the state and national economy. Job growth is one-third the rate in the U.S. last year and about equal to the state rate of growth. The construction industry is maintaining moderate job growth from a year ago due to the high pace of road and stadium construction. Services and retail trade, the former drivers of growth, have slowed over the past year, partly as a result of the rise in oil prices. Manufacturing is struggling to maintain earnings in the wake of the slowing national economy, but so far Pittsburgh has avoided major layoffs.

A relatively low unemployment rate and healthy per capital income growth are indicators of remaining underlying strength in the economy. Major employers in the MSA include UPMC Health Systems, US Airways, Inc., West Penn Allegheny Health System, Mellon Bank Corporation, the University of Pittsburgh, and PNC Bank Corporation.

Promistar Bank

The seasonally unadjusted unemployment rates for the seven counties included in the bank's Pittsburgh assessment area, as well as rates for the Pittsburgh MSA and the state, are presented in the following table:

	February 2001	February 2000
Allegheny County	4.1%	4.0%
Beaver County	5.5%	4.6%
Butler County	5.0%	4.9%
Fayette County	9.5%	8.7%
Washington County	5.8%	5.5%
Westmoreland County	5.9%	5.6%
Greene County	7.2%	7.8%
Pittsburgh-MSA	5.0%	4.7%
Pennsylvania	5.2%	4.8%

The overall assessment area was determined to comply with the requirements of the Community Reinvestment Act and does not arbitrarily exclude low- or moderate-income geographies. 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.

SCOPE OF EXAMINATION

The examination of Promistar's CRA performance was evaluated for the period from January 1, 1999 through December 31, 2000. The Lending, Investment, and Service Tests were applied in assessing the bank's performance under CRA, pursuant to the Interagency Procedures and Guidelines for Large Retail Institutions. Under the Lending Test, loan products evaluated included home-purchase and home-improvement loans and refinancing of such loans (collectively titled HMDA Loans), consumer loans, small business loans, and other loans that qualified as community development. Written documentation of interviews conducted with community representatives, prepared by the Federal Reserve and other regulatory agencies, was also reviewed during the course of the examination.

For purposes of evaluating the geographic distribution of loans, geographies were classified on the basis of 1990 U.S. Census data. The distribution of loans to borrowers of different income levels was based upon annually adjusted median family income data made available by HUD.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**LENDING TEST**

The lending test evaluates an institution's lending activities within a given assessment area on the following characteristics:

- Overall lending levels and assessment area concentration;
- Geographic distribution of loans, particularly loans originated in low- and moderate-income geographies;
- Borrowers' profile or characteristics, irrespective of geography, particularly low- and moderate-income borrowers and small businesses;
- Overall responsiveness to credit needs of highly economically disadvantaged geographies, low-income persons, and very small businesses;
- Community development lending activities; and
- The use of innovative and flexible lending practices to address community credit needs.

Performance under the lending test is assessed as High Satisfactory.

Lending Activity and Assessment Area Concentration

Bank lending levels reflect excellent overall responsiveness to assessment area credit needs. As of December 31, 2000, net loans represented 74% of total assets, which compares favorably to the bank's national peer group average of 64%.² Additionally, the bank's loan-to-deposit ratio of 90% was considerably higher than the peer group average of 84%. The high level of loans in relation to deposits was primarily attributable to the bank's continued emphasis on lending activity.

An analysis was performed to determine the volume of loans extended inside and outside of the bank's assessment area. The analysis consisted of an evaluation of the bank's HMDA, small business and consumer lending activity for 1999 and 2000. Based on the analysis, it was determined that a substantial majority of the bank's loans were made within its assessment areas.

The following tables depict the volume of loans extended inside and outside of Promistar's assessment areas.

1999 HMDA LOAN PENETRATION				
NUMBER AND DOLLAR AMOUNT OF LOANS				
	Number	Percent	\$000's	Percent
Inside Assessment Area	3,904	93	180,249	90
Outside Assessment Area	278	7	19,432	10
Total	4,182	100%	\$199,681	100%

² Promistar's peer group includes all insured commercial banks having assets between \$1 billion and \$3 billion.

Promistar Bank

2000 HMDA LOAN PENETRATION NUMBER AND DOLLAR AMOUNT OF LOANS				
	Number	Percent	\$000's	Percent
Inside Assessment Area	1,563	98	42,725	98
Outside Assessment Area	33	2	803	2
Total	1,596	100%	\$43,582	100%

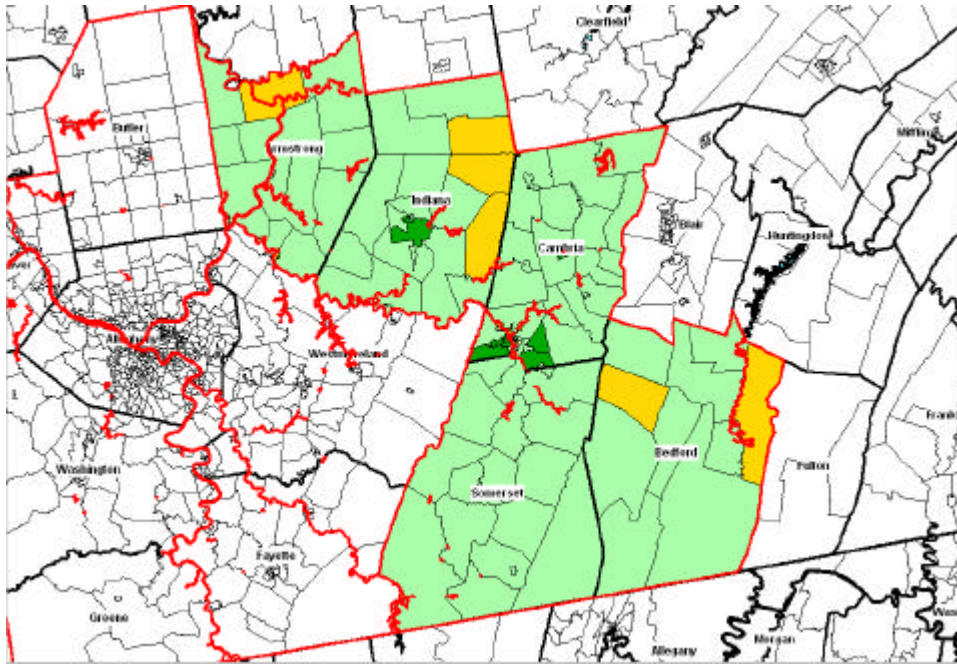
1999 SMALL BUSINESS LOAN PENETRATION NUMBER AND DOLLAR AMOUNT OF LOANS				
	Number	Percent	\$000's	Percent
Inside Assessment Area	1,108	96	64,809	97
Outside Assessment Area	42	4	2,089	3
Total Loans	1,150	100%	\$66,898	100%

2000 SMALL BUSINESS LOAN PENETRATION NUMBER AND DOLLAR AMOUNT OF LOANS				
	Number	Percent	\$000's	Percent
Inside Assessment Area	1,080	96	57,442	97
Outside Assessment Area	48	4	1,589	3
Total Loans	1,128	100%	\$59,031	100%

2000 CONSUMER LOAN PENETRATION NUMBER AND DOLLAR AMOUNT OF LOANS				
	Number	Percent	\$000's	Percent
Inside Assessment Area	20,077	91	197,175	88
Outside Assessment Area	2,078	9	27,888	12
Total	22,155	100%	\$225,063	100%

Geographic Distribution of Lending

An analysis of the geographic distribution of loans was conducted in an effort to determine the dispersion of loans among different geographies within the bank's assessment area. The analysis reflected a good overall responsiveness to assessment area credit needs.

Johnstown Assessment Area (Metropolitan and Non-Metropolitan Areas Combined)Home Mortgage Lending

Promistar is the largest residential mortgage lender within the Johnstown assessment area. According to 1999 aggregated HMDA data³, 13,701 home mortgage loans were collectively originated by 254 financial institutions within the assessment area. Promistar ranked first among these institutions with a market share of 19%. First Commonwealth Bank ranked second with 10% of the market.

A review of 1999 and 2000 bank lending activity reflected good penetration throughout the Johnstown assessment area. In 1999, 7% of the bank's home mortgage loans were originated in low- and moderate-income geographies. In 2000, this increased to 9% of home mortgage loans originated in low- and moderate-income geographies. Bank lending levels are good, despite the limited amount of available owner-occupied housing in the assessment area's low- and moderate-income geographies. Just 1% of all owner-occupied housing is located in low-income geographies and 7% in moderate-income geographies. The lower level of owner-occupied housing limits the bank's lending opportunities in these geographies. In comparison, the great majority of owner-occupied housing (91%) is located in the middle- and upper-income geographies.

³ 1999 is the most recent year for which aggregated HMDA data is available.

Promistar Bank

The following tables show the geographic distribution of the bank's home mortgage lending activity for 1999 and 2000.

JOHNSTOWN ASSESSMENT AREA 1999 ALL HMDA REPORTABLE LOANS GEOGRAPHIC DISTRIBUTION					
Type of Geography	Number of Loans	Percent of Loans	Number of Owner-Occupied Units	Percent of Owner-Occupied Units	Percent of Loans / Percent of Units
Low-income	3	1	301	1	1.00
Moderate-income	164	6	11,125	7	0.86
Middle-income	2,105	83	104,845	82	1.01
Upper-income	270	10	11,262	9	1.11
All Geographies	2,542	100%	127,533	100%	1.00

JOHNSTOWN ASSESSMENT AREA 2000 ALL HMDA REPORTABLE LOANS GEOGRAPHIC DISTRIBUTION					
Type of Geography	Number of Loans	Percent of Loans	Number of Owner-Occupied Units	Percent of Owner-Occupied Units	Percent of Loans / Percent of Units
Low-income	0	0	301	1	0.00
Moderate-income	98	9	11,125	7	1.29
Middle-income	915	86	104,845	82	1.05
Upper-income	47	5	11,262	9	0.56
All Geographies	1,060	100%	127,533	100%	1.00

Promistar Bank

Geographic Distribution in Relation to Market Performance

As shown in the following table, a comparison of Promistar's lending activity to the market shows that the bank performed about the same as the market in low- and moderate-income geographies in the Johnstown assessment area.

JOHNSTOWN ASSESSMENT AREA MARKET COMPARISON OF GEOGRAPHIC DISTRIBUTION ALL HMDA REPORTABLE LOANS PERCENT OF LOANS ORIGINATED			
Type of Geography	PROMISTAR 2000	PROMISTAR 1999	MARKET 1999
Low-Income	0	1	1
Moderate-Income	9	6	8
Middle-Income	86	83	81
Upper-Income	5	10	10
All Geographies	100%	100%	100%

For a discussion of additional efforts by the bank to address the credit needs of borrowers residing in low- and moderate-income geographies, see the **Innovative and Flexible Lending Practices** section of this Public Evaluation which begins on page 40. Refer also to the **Community Development Lending** section (page 39) for a discussion of loans for the development of low- and moderate-income housing.

Consumer Lending

Consumer installment loans are second only to mortgage loans in total dollar volume, and as of 12/31/00 accounted for roughly 32% of Promistar's overall lending activity (by dollar amount). These loans become even more significant when considering CRA performance because of the number of loans necessary to achieve such a high total dollar amount.

The percentage of households within designated geographies is generally used as a proxy to estimate demand for consumer credit within such geographies. In the Johnstown assessment area, just 11% of the assessment area's households reside in low- and moderate-income geographies, while the substantial majority of households (89%) reside in middle- and upper-income geographies. An analysis of the geographic distribution of consumer loans originated by the bank in 2000 reflected good penetration throughout the Johnstown assessment area.

Promistar Bank

The following table shows the geographic distribution of the bank's 2000 consumer loans.

JOHNSTOWN ASSESSMENT AREA 2000 CONSUMER LOANS GEOGRAPHIC DISTRIBUTION					
Type of Geography	Number of Loans	Percent of Loans	Households By Geography	Percent of Households	Percent of Loans / Percent of Households
Low-income	17	1	819	1	1.00
Moderate-income	611	6	17,779	10	0.60
Middle-income	8,791	84	134,753	79	1.06
Upper-income	945	9	16,379	10	0.90
All Geographies	10,364	100%	169,730	100%	1.00

Small Business Lending

In 1999, Promistar originated 390 small business loans in an aggregate amount of \$19.7 million. In 2000, the bank originated 375 small business loans in an aggregate amount of \$17.2 million. A comparison of the number of small business loans originated in each type of geography to the number of small businesses located in each type of geography demonstrates the bank's commitment to making credit available to its entire community. Business demographics revealed that there were a total of 10,074 small businesses within the bank's assessment area. In 1999, Promistar's extension of credit to these businesses shows that low-income geographies received 1% of small business loans, while less than 1% of small businesses are located in these geographies. Moderate-income geographies received 8% of small business loans, while 11% of small businesses are located in these geographies. Middle-income geographies received 76% of small business loans for their 77% share of small businesses. Upper-income geographies received 15% of small business loans for their 11% share of small businesses.

The analysis of Promistar's lending activity in 2000 showed that the bank originated no small business loans in low-income geographies. Moderate-income geographies received 8% of small business loans, middle-income geographies 81% of loans, and upper-income geographies 11% of loans.

Promistar Bank

The bank's geographic distribution of small business loans reflects good penetration throughout the Johnstown assessment area. Using the number of small businesses as a proxy for loan demand, the following tables detail Promistar's percent of loans as a percent of small businesses within each geography type.

JOHNSTOWN ASSESSMENT AREA 1999 SMALL BUSINESS LOANS GEOGRAPHIC DISTRIBUTION					
Type of Geography	Number of Loans	Percent of Loans	Number of Small Businesses	Percent of Small Businesses	Percentage of Loans To Percentage of Businesses
Low-Income	1	1	23	1	1.00
Moderate-Income	32	8	1,121	11	0.73
Middle-Income	299	76	7,778	77	0.99
Upper-Income	58	15	1,152	11	1.36
All Geographies	390	100%	10,074	100%	1.00

JOHNSTOWN ASSESSMENT AREA 2000 SMALL BUSINESS LOANS GEOGRAPHIC DISTRIBUTION					
Type of Geography	Number of Loans	Percent of Loans	Number of Small Businesses	Percent of Small Businesses	Percentage of Loans To Percentage of Businesses
Low-Income	0	0	23	1	0.00
Moderate-Income	29	8	1,121	11	0.73
Middle-Income	305	81	7,778	77	1.05
Upper-Income	41	11	1,152	11	1.00
All Geographies	375	100%	10,074	100%	1.00

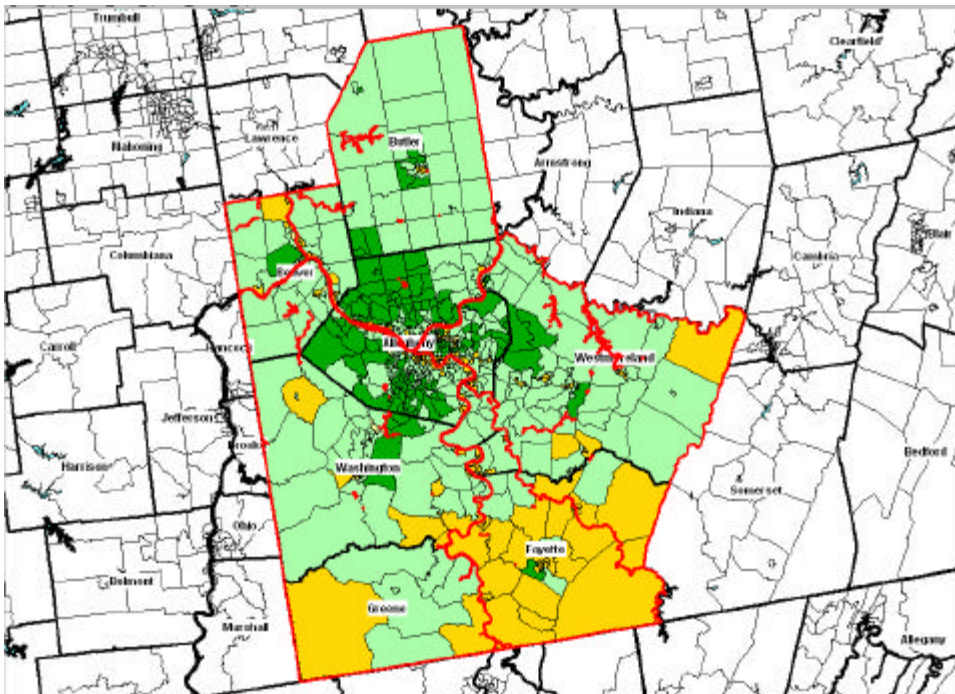
Promistar Bank

Geographic Distribution in Relation to Market Performance

According to 1999 aggregated small business lending data, a total of 2,680 small business loans were originated in the Johnstown assessment area. Promistar originated 390 of these loans, capturing 15% of the total market. As shown in the following table, a comparison of Promistar's lending activity to the market shows that the bank performed about the same as the market in all geographies.

MARKET COMPARISON OF GEOGRAPHIC DISTRIBUTION SMALL BUSINESS LOANS PERCENT OF LOANS ORIGINATED			
Type of Geography	PROMISTAR 2000	PROMISTAR 1999	MARKET 1999
Low-Income	0	1	1
Moderate-Income	8	8	9
Middle-Income	81	76	77
Upper-Income	11	15	13
All Geographies	100%	100%	100%

Pittsburgh Assessment Area (Metropolitan and Non-Metropolitan Areas Combined)



Promistar Bank

Home Mortgage Lending

Promistar is not considered a major residential mortgage lender within the Pittsburgh assessment area. According to 1999 aggregate HMDA data, 80,239 home mortgage loans were collectively originated by 445 financial institutions within the assessment area. Promistar ranked 11th among these institutions with a market share of 1.4%. PNC Bank, N.A., and National City Bank-Pennsylvania, ranked first and second with 7.5% and 6.0% of the market, respectively.

The bank's lending activity reflects excellent penetration throughout the Pittsburgh assessment area, including low- and moderate-income geographies. Bank lending levels are noteworthy given the levels of available owner-occupied housing in the assessment area's low- and moderate-income geographies. While 20% of owner-occupied housing is located in low- and moderate-income geographies, 34% of the bank's home mortgage loans were originated in these geographies in 1999. In 2000, this increased to 40% of home mortgage loans originated in low- and moderate-income geographies. Moreover, Promistar's percentage of loans as a percentage of owner-occupied housing units within low- and moderate-income geographies far exceeded this percentage in the middle- and upper-income geographies.

The following tables show the geographic distribution of the bank's home mortgage lending activity for 1999 and 2000.

PITTSBURGH ASSESSMENT AREA 1999 ALL HMDA REPORTABLE LOANS GEOGRAPHIC DISTRIBUTION					
Type of Geography	Number of Loans	Percent of Loans	Number of Owner-Occupied Units	Percent of Owner-Occupied Units	Percent of Loans / Percent of Units
Low-income	7	1	8,532	1	1.00
Moderate-income	378	33	127,566	19	1.74
Middle-income	630	55	366,768	54	1.02
Upper-income	128	11	170,929	26	0.42
All Geographies	1,143	100%	673,795	100%	1.00

PITTSBURGH ASSESSMENT AREA 2000 ALL HMDA REPORTABLE LOANS GEOGRAPHIC DISTRIBUTION					
Type of Geography	Number of Loans	Percent of Loans	Number of Owner-Occupied Units	Percent of Owner-Occupied Units	Percent of Loans / Percent of Units
Low-income	3	1	8,532	1	1.00
Moderate-income	185	39	127,566	19	2.05
Middle-income	232	49	366,768	54	0.91
Upper-income	52	11	170,929	26	0.42
All Geographies	472	100%	673,795	100%	1.00

Promistar Bank

Geographic Distribution in Relation to Market Performance

As shown in the following table, a comparison of Promistar's lending activity to the market shows that the bank performed the same as the market in low-income geographies and significantly better than the market in moderate-income geographies.

PITTSBURGH ASSESSMENT AREA MARKET COMPARISON OF THE GEOGRAPHIC DISTRIBUTION HOME MORTGAGE LOANS PERCENT OF LOANS ORIGINATED			
Type of Geography	PROMISTAR 2000	PROMISTAR 1999	MARKET 1999
Low-Income	1	1	1
Moderate-Income	39	33	16
Middle-Income	49	55	51
Upper-Income	11	11	32
All Geographies	100%	100%	100%

For a discussion of additional bank efforts to address the credit needs of borrowers residing in low- and moderate-income geographies, see the **Innovative and Flexible Lending Practices** section of this Public Evaluation on page 40. Refer also to the **Community Development Lending** section of this Evaluation which starts on page 39.

Consumer Lending

The percentage of households within designated geographies is generally used as a proxy to estimate demand for consumer credit within such geographies. In the Pittsburgh assessment area, just 25% of the assessment area's households reside in low- and moderate-income geographies, while 75% of households reside in middle- and upper-income geographies. An analysis of the geographic distribution of consumer loans originated by the bank in 2000 reflected good penetration throughout the Pittsburgh assessment area.

Promistar Bank

The following table shows the geographic distribution of the bank's 2000 consumer loans.

PITTSBURGH ASSESSMENT AREA 2000 CONSUMER REPORTABLE LOANS GEOGRAPHIC DISTRIBUTION					
Type of Geography	Number of Loans	Percent of Loans	Households By Geography	Percent of Households	Percent of Loans / Percent of Households
Low-income	23	1	27,105	3	0.33
Moderate-income	2,407	30	214,715	22	1.36
Middle-income	4,530	56	498,134	52	1.08
Upper-income	1,076	13	220,917	23	0.56
All Geographies	8,036	100%	960,871	100%	1.00

Small Business Lending

In 1999, Promistar originated 656 small business loans in an aggregate amount of \$41.8 million. In 2000, the bank originated 651 small business loans in an aggregate amount of \$39.0 million. A comparison of the number of small business loans in each type of geography to the number of small businesses located in each type of geography demonstrates the bank's commitment to making credit available to its entire community.

Business demographics revealed that there were a total of 58,352 small businesses within the Pittsburgh assessment area. In 1999, Promistar's extension of credit to these businesses shows that low-income geographies received 1% of small business loans, while 4% of small businesses are located in these geographies. Moderate-income geographies received 34% of small business loans, while 22% of small businesses are located in these geographies. Middle-income geographies received 56% of small business loans for their 46% share of small businesses. Upper-income geographies received 9% of small business loans for their 28% share of small businesses.

The analysis of Promistar's lending activity in 2000 shows that low-income geographies received 1% of small business loans, moderate-income geographies received 35% of small business loans, middle-income geographies received 51% and upper-income geographies received 13%.

Promistar Bank

The bank's geographic distribution of small business loans reflects excellent penetration throughout the Pittsburgh assessment area, particularly in moderate-income geographies. Using the number of small businesses as a proxy for loan demand, the following tables detail Promistar's percent of loans as a percent of small businesses within each geography type.

PITTSBURGH ASSESSMENT AREA 1999 SMALL BUSINESS LOANS GEOGRAPHIC DISTRIBUTION					
Type of Geography	Number of Loans	Percent of Loans	Number of Small Businesses	Percent of Small Businesses	Percentage of Loans To Percentage of Businesses
Low-Income	8	1	2,569	4	0.25
Moderate-Income	223	34	12,591	22	1.55
Middle-Income	364	56	26,700	46	1.22
Upper-Income	61	9	16,492	28	0.32
All Geographies	656	100%	58,352	100%	1.00

PITTSBURGH ASSESSMENT AREA 2000 SMALL BUSINESS LOANS GEOGRAPHIC DISTRIBUTION					
Type of Geography	Number of Loans	Percent of Loans	Number of Small Businesses	Percent of Small Businesses	Percentage of Loans To Percentage of Businesses
Low-Income	8	1	2,569	4	0.25
Moderate-Income	224	35	12,591	22	1.59
Middle-Income	332	51	26,700	46	1.11
Upper-Income	87	13	16,492	28	0.46
All Geographies	651	100%	58,352	100%	1.00

Promistar Bank

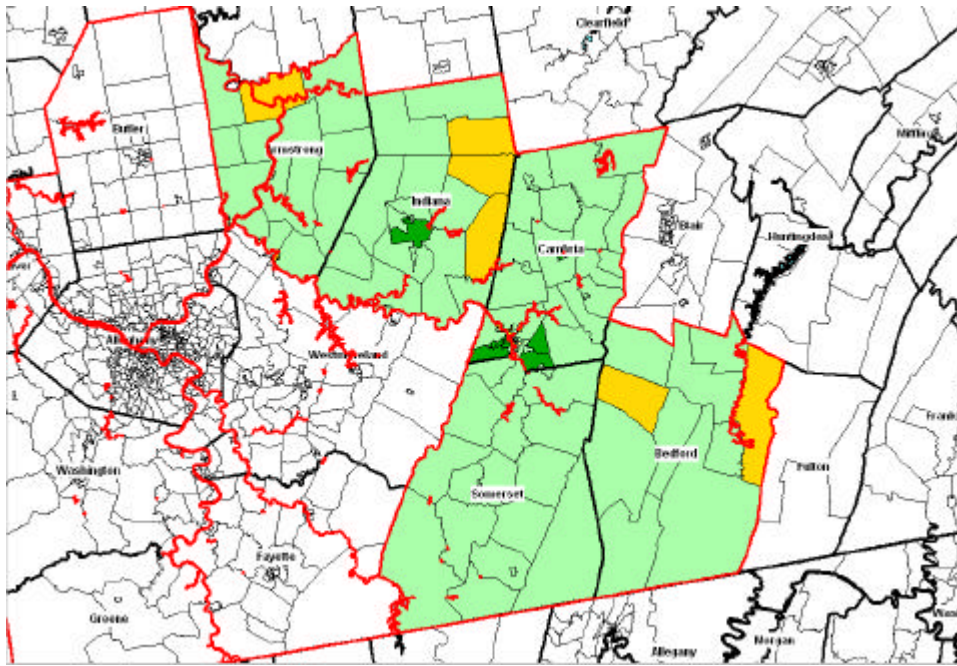
Geographic Distribution in Relation to Market Performance

According to 1999 aggregated small business lending data, a total of 21,171 small business loans were originated in the assessment area. Promistar originated 656 of these loans, capturing 3% of the total market. As shown in the following table, a comparison of Promistar's lending activity to the market shows that the bank performed significantly better than the market in moderate-income geographies.

PITTSBURGH ASSESSMENT AREA MARKET COMPARISON OF THE GEOGRAPHIC DISTRIBUTION SMALL BUSINESS LOANS PERCENT OF LOANS ORIGINATED			
Type of Geography	PROMISTAR 2000	PROMISTAR 1999	MARKET 1999
Low-Income	1	1	4
Moderate-Income	35	34	18
Middle-Income	51	56	46
Upper-Income	13	9	32
All Geographies	100%	100%	100%

Distribution of Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

A review of the demographic and economic characteristics of the assessment area, in conjunction with an analysis of HMDA, consumer, and small business lending data, was conducted to ascertain the extent of lending to borrowers of different incomes and to businesses of different sizes. This analysis reflects good penetration among borrowers of different income levels and excellent penetration to businesses of different sizes.

Johnstown Assessment Area (Metropolitan and Non-Metropolitan Areas Combined)**Borrower Characteristics**

The adjusted annual median family incomes of the Johnstown MSA for 2000 and 1999, as reported by HUD, are \$32,400 and \$31,100, respectively. The following table categorizes the dollar amounts recognized as low-, moderate-, middle- and upper-income, predicated upon adjusted median family income measures.

Year	HUD-Adjusted Median Family Income	Low Income (<50%)	Moderate Income (50%-79%)	Middle Income (80%-119%)	Upper Income (120% or Greater)
2000	\$32,400	Less than \$16,200	\$16,200--\$25,919	\$25,920--\$38,879	\$38,880 or more
1999	\$31,100	Less than \$15,550	\$15,550--\$24,879	\$24,880--\$37,319	\$37,320 or more

Home Mortgage Lending

Promistar's distribution of loans reflects good penetration among retail customers of different income levels. An analysis of the distribution of home mortgage loans to low- and moderate-income families, in comparison to the demographics of the assessment area, shows that of the 124,150 families in the assessment area, 39% are designated as low- or moderate-income. In 1999, 22% of the bank's HMDA loans were to low- or moderate-income families and, in 2000, lending to low- and moderate-income families increased significantly to 31% of loans.

Promistar Bank

The distribution of loans to low- and moderate-income families is reasonable, given the demographics of the Johnstown assessment area. Of the 48,436 families designated as low- or moderate-income, 86% reside in middle- and upper-income geographies, where a great majority of the available housing is located. Although there is not a great disparity between the median housing values in upper-income geographies and that in low-income geographies, there is a limited supply of affordable housing units available for purchase by low- and moderate-income families. In addition, obstacles to lending are created by an aging population. About 17% of the population residing in the Johnstown assessment area are age 65 and over. Many of these senior citizens already own homes or live in senior citizen housing complexes, and do not need to purchase or refinance their homes.

An analysis of the bank's HMDA data revealed the following income distribution for loans within the assessment area:

JOHNSTOWN ASSESSMENT AREA 1999 – ALL HMDA REPORTABLE LOANS BORROWER INCOME DISTRIBUTION					
Income Level	Number of Loans	Percent of Loans	Number of Families	Percent of Families	Percent of Loans / Percent of Families
Low-income	138	6	23,217	19	0.32
Moderate-income	389	16	25,219	20	0.80
Middle-income	635	26	30,369	25	1.04
Upper-income	1,286	52	45,345	36	1.44
All Borrowers	2,448 ⁴	100%	124,150	100%	1.00

JOHNSTOWN ASSESSMENT AREA 2000 – ALL HMDA REPORTABLE LOANS BORROWER INCOME DISTRIBUTION					
Income Level	Number of Loans	Percent of Loans	Number of Families	Percent of Families	Percent of Loans / Percent of Families
Low-income	109	11	23,217	19	0.58
Moderate-income	210	20	25,219	20	1.00
Middle-income	272	26	30,369	25	1.04
Upper-income	438	43	45,345	36	1.19
All Borrowers	1,029	100%	124,150	100%	1.00

⁴ Of Promistar's 2,542 HMDA reportable loans in 1999, 94 had no borrower income information available. These 94 loans were excluded from the analysis. Of the 1,060 HMDA reportable loans in 2000, 31 had no borrower income information available. These 31 loans were excluded from the analysis.

Promistar Bank

In an effort to further enhance its mortgage lending profile, bank management has made a significant number of community development investments that promote and support affordable housing initiatives for low- and moderate-income families in its assessment areas. For additional discussion on these efforts, refer to the **INVESTMENT TEST** in this Public Evaluation starting on page 46. Refer also to **Innovative or Flexible Lending Practices** and the **Community Development Lending** sections on pages 39 and 40, respectively.

Borrower Income Distribution in Relation to Market Performance

Promistar's HMDA data shows that its lending levels are consistent with aggregate lending in the assessment area. In 1999, Promistar performed about the same as the market with low- and moderate-income borrowers. In 2000, bank performance exceeded market performance.

The following table compares Promistar's lending activity to market activity (less Promistar):

JOHNSTOWN ASSESSMENT AREA MARKET COMPARISON OF THE DISTRIBUTION OF HMDA LENDING BY BORROWER INCOME LEVEL PERCENT OF LOANS ORIGINATED			
Type of Geography	PROMISTAR 2000	PROMISTAR 1999	MARKET 1999
Low-Income	11	6	8
Moderate-Income	20	16	18
Middle-Income	26	26	27
Upper-Income	43	52	47
All Geographies	100%	100%	100%

Consumer Lending

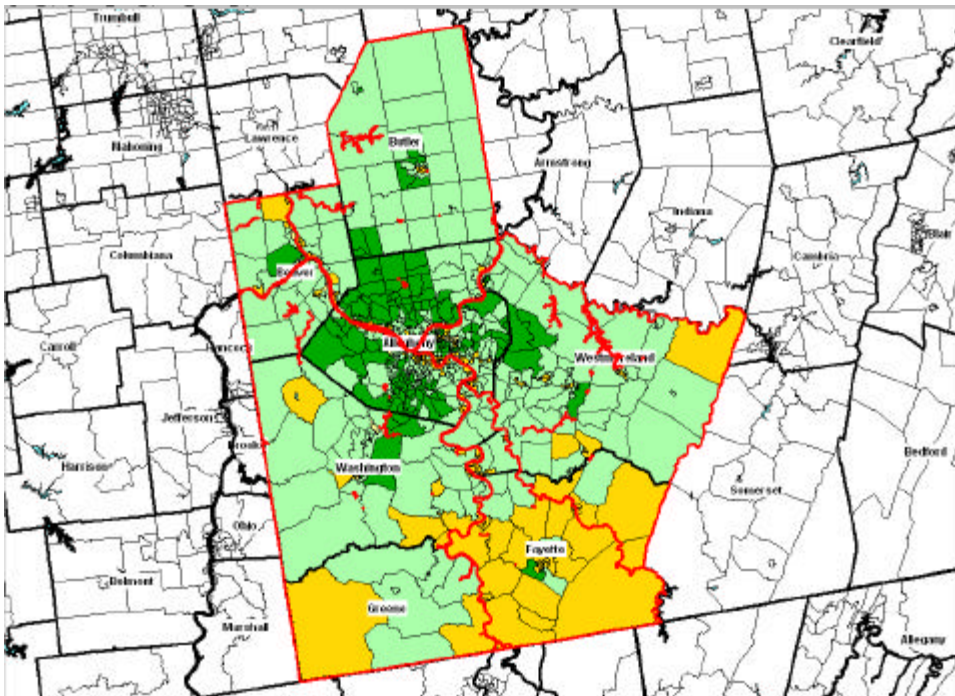
Promistar's distribution of consumer loans reflects excellent penetration among retail customers of different income levels. The percentage of families designated as low- or moderate-income within an assessment area is generally used as a proxy to estimate demand for consumer credit. In the Johnstown assessment area, 39% of families are designated as low- or moderate-income. An analysis of the distribution of consumer loans shows that, in 2000, 37% of the bank's consumer loans were to low- or moderate-income families.

Promistar Bank

An analysis of the bank's consumer loan data revealed the following income distribution for loans within the Johnstown assessment area:

JOHNSTOWN ASSESSMENT AREA 2000 – CONSUMER LOANS BORROWER INCOME DISTRIBUTION					
Income Level	Number of Loans	Percent of Loans	Number of Households	Percent of Families	Percent of Loans / Percent of Households
Low-income	1,356	15	40,928	24	0.63
Moderate-income	2,098	22	28,831	17	1.29
Middle-income	2,527	27	33,403	20	1.35
Upper-income	3,390	36	66,568	39	0.92
All Borrowers	9,371 ⁵	100%	169,730	100%	1.00

Pittsburgh Assessment Area (Metropolitan and Non-Metropolitan Areas Combined)



⁵ Of Promistar's 10,364 consumer loans in 2000, 993 had no borrower income information available. These 993 loans were excluded from the analysis.

Promistar Bank

Borrower Characteristics

The adjusted annual median family incomes of the Pittsburgh MSA for 2000 and 1999, as reported by HUD, are \$44,600 and \$42,700, respectively. The following table categorizes the dollar amounts recognized as low-, moderate-, middle- and upper-income, predicated upon adjusted median family income measures.

Year	HUD-Adjusted Median Family Income	Low Income (<50%)	Moderate Income (50%-79%)	Middle Income (80%-119%)	Upper Income (120% or Greater)
2000	\$44,600	Less than \$22,300	\$22,300--\$35,679	\$35,680--\$53,519	\$53,520 or more
1999	\$42,700	Less than \$21,350	\$21,350--\$34,159	\$34,160--\$51,239	\$51,240 or more

Home Mortgage Lending

Promistar's distribution of borrowers reflects excellent penetration among retail customers of different incomes. An analysis of the distribution of home mortgage loans to low- and moderate-income families in comparison to the demographics of the assessment area shows that of the 670,080 families in the assessment area, 38% are designated as low- or moderate-income. In 1999, 28% of the bank's HMDA loans were to low- or moderate-income families and, in 2000, lending to low- and moderate-income families increased significantly to 37%.

Penetration levels are strong despite obstacles to lending. Of the families in the assessment area designated as low- or moderate-income, a majority (64%) reside in middle- and upper-income geographies, where a great majority of the available housing is located and where housing prices are higher. In addition, 38% of the assessment area's renters expend more than 30% of gross income for housing, making it difficult for renters to save the customary down payment and closing costs necessary to purchase a house.

Promistar Bank

The following tables show the distribution of Promistar's loans to borrowers of different levels within the Pittsburgh assessment area:

PITTSBURGH ASSESSMENT AREA 1999 – ALL HMDA REPORTABLE LOANS BORROWER INCOME DISTRIBUTION					
Income Level	Number of Loans	Percent of Loans	Number of Families	Percent of Families	Percent of Loans / Percent of Families
Low-income	99	9	131,830	20	0.45
Moderate-income	216	19	122,994	18	1.06
Middle-income	322	29	152,254	23	1.26
Upper-income	486	43	263,002	39	1.10
All Borrowers	1,123 ⁶	100%	670,080	100%	1.00

PITTSBURGH ASSESSMENT AREA 2000 – ALL HMDA REPORTABLE LOANS BORROWER INCOME DISTRIBUTION					
Income Level	Number of Loans	Percent of Loans	Number of Families	Percent of Families	Percent of Loans / Percent of Families
Low-income	69	15	131,830	20	0.75
Moderate-income	101	22	122,994	18	1.22
Middle-income	131	28	152,254	23	1.22
Upper-income	161	35	263,002	39	0.90
All Borrowers	462	100%	670,080	100%	1.00

Borrower Income Distribution in Relation to Market Performance

Promistar's HMDA data shows that bank lending levels are consistent with aggregate lending in the assessment area. In 1999, Promistar performed the same as the market with low- and moderate-income borrowers. In 2000, the bank performed better than the market with low- and moderate-income borrowers.

⁶ Of the 1,143 HMDA reportable loans in 1999, 20 had no borrower income information available. These 20 loans were excluded from the analysis. Of the 472 HMDA reportable loans in 2000, 10 had no borrower income information available. These 10 loans were excluded from the analysis.

Promistar Bank

The following table compares Promistar's lending activity to market activity (less Promistar):

PITTSBURGH ASSESSMENT AREA MARKET COMPARISON OF THE DISTRIBUTION OF HMDA LENDING BY BORROWER INCOME LEVEL PERCENT OF LOANS ORIGINATED			
Type of Borrower	PROMISTAR 2000	PROMISTAR 1999	MARKET 1999
Low-Income	15	9	9
Moderate-Income	22	19	19
Middle-Income	28	29	26
Upper-Income	35	43	46
All Borrowers	100%	100%	100%

For a further discussion of the bank's efforts to address the credit needs of low- and moderate-income borrowers, see the **Innovative or Flexible Lending Practices** section of this Public Evaluation on page 40.

Consumer Lending

Promistar's distribution of consumer loans reflects excellent penetration among retail customers of different income levels. The percentage of households designated as low- or moderate-income within an assessment area is generally used as a proxy to estimate demand for consumer credit. In the Pittsburgh assessment area, 41% of households are designated as low- or moderate-income. An analysis of the distribution of consumer loans shows that, in 2000, 42% of the bank's consumer loans were to low- or moderate-income borrowers.

Promistar Bank

An analysis of the bank's consumer loan data revealed the following income distribution for loans within the Pittsburgh assessment area:

PITTSBURGH ASSESSMENT AREA 2000 – CONSUMER LOANS BORROWER INCOME DISTRIBUTION					
Income Level	Number of Loans	Percent of Loans	Number of Households	Percent of Households	Percent of Loans / Percent of Households
Low-income	1,308	17	239,194	25	0.68
Moderate-income	1,948	25	150,893	16	6.56
Middle-income	2,341	30	176,629	18	1.67
Upper-income	2,166	28	394,155	41	0.68
All Borrowers	7,763 ⁷	100%	960,871	100%	1.00

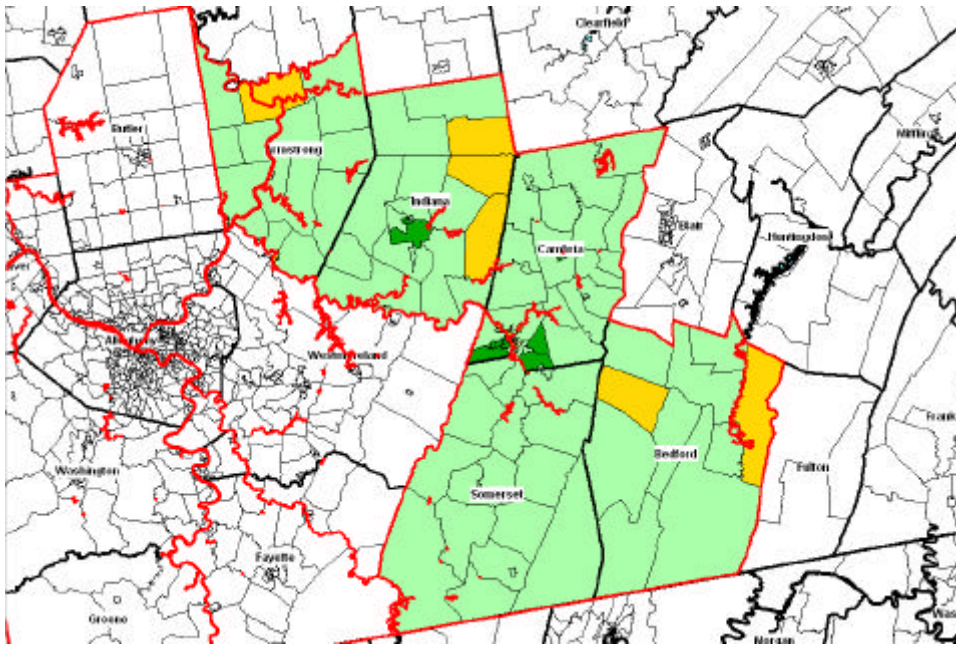
Lending to Businesses of Different Sizes

For the purpose of this evaluation, a small business loan is defined as a commercial loan with an origination amount or \$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. Schedule RC-C Part II (Loans to Small Farms and Small Businesses) of the bank's Consolidated Reports of Condition and Income as of June 30, 2000, indicates that 63% of the bank's commercial loans were designated as small business loans, as detailed in the following chart.

PROMISTAR BANK COMMERCIAL LOAN PORTFOLIO		
	AMOUNT OUTSTANDING AS OF 6/30/00 (\$000)	PERCENT
Loans with original amounts of \$100,000 or Less	67,187	14
Loans with original amounts of more than \$100,000 through \$250,000	77,616	16
Loans with original amounts of more than \$250,000 through \$1,000,000	153,527	33
Total Small Business Loans	298,330	63
Loans with original amounts of Greater than \$1,000,000	173,768	37
Total Commercial Loans	\$472,098	100%

⁷ Of Promistar's 8,036 consumer loans in 2000, 273 had no borrower income information available. These 273 loans were excluded from the analysis.

Johnstown Assessment Area (Metropolitan and Non-Metropolitan Areas Combined)



An analysis of the distribution of loans to businesses determined that the bank’s lending to small businesses is consistent with the institution’s asset size, lending capacity, and business objectives and reflects excellent penetration among businesses of different sizes.

The number of small business loans originated by the bank in amounts of \$100,000 or less is significant. In general, smaller size loans are commensurate with the borrowing needs of smaller businesses. In 1999, 88% of small business loans were in amounts of \$100,000 or less. In 2000, 90% of loans were in amounts of \$100,000 or less. Promistar’s lending activity shows the bank is meeting the credit needs of smaller businesses in its Johnstown assessment area.

The following tables detail the bank's small business loan originations, as reported for purposes of CRA, for calendar year 1999 and 2000.

JOHNSTOWN ASSESSMENT AREA				
1999 SMALL BUSINESS LOANS				
	Number	Percent	\$000	Percent
Loans with original amounts of \$100,000 or less	344	88	8,679	44
Loans with original amounts of more than \$100,000 through \$250,000	31	8	4,940	25
Loans with original amounts of more than \$250,000 through \$1,000,000	15	4	6,098	31
Total Small Business Loans	390	100%	\$19,717	100%

Promistar Bank

JOHNSTOWN ASSESSMENT AREA 2000 SMALL BUSINESS LOANS				
	Number	Percent	\$000	Percent
Loans with original amounts of \$100,000 or less	337	90	8,994	52
Loans with original amounts of more than \$100,000 through \$250,000	32	8	4,846	28
Loans with original amounts of more than \$250,000 through \$1,000,000	6	2	3,393	20
Total Small Business Loans	375	100%	\$17,233	100%

The following tables further quantify 1999 and 2000 small business lending based upon the annual revenue of the business. Small business loans were analyzed to determine whether they were made to businesses with gross annual revenues of \$1 million or less. Business demographic data revealed that there were 11,098 businesses in the bank's Johnstown assessment area. Of these businesses, 91% had sales of \$1 million or less. The distribution of loans reflects an excellent penetration among business customers of different sizes in the assessment area.

JOHNSTOWN ASSESSMENT AREA 1999 SMALL BUSINESS LOANS BUSINESS REVENUES				
	Number	Percent	\$000's	Percent
Loans to businesses with revenues of \$1 million or less	285	73	14,249	72
Loans to businesses with revenues of more than \$1 million	105	27	5,468	28
Total Small Business Loans	390	100%	\$19,717	100%

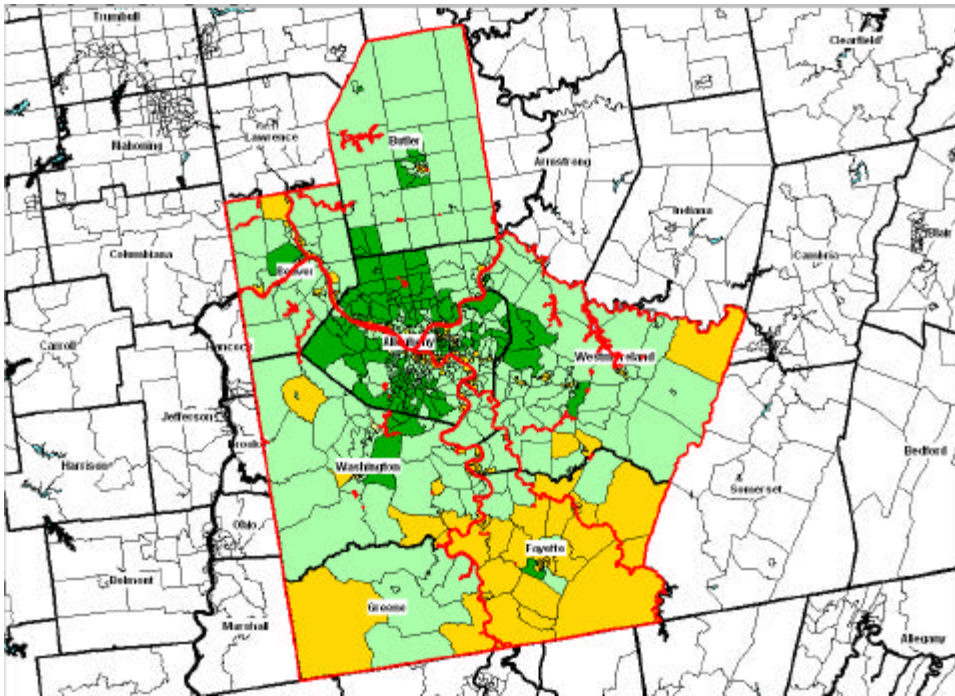
JOHNSTOWN ASSESSMENT AREA 2000 SMALL BUSINESS LOANS BUSINESS REVENUES				
	Number	Percent	\$000's	Percent
Loans to businesses with revenues of \$1 million or less	336	90	13,267	77
Loans to businesses with revenues of more than \$1 million	39	10	3,966	23
Total Small Business Loans	375	100%	\$17,233	100%

In addition to its small business lending, the bank made 24 small farm loans aggregating \$1.6 million within its Johnstown assessment area in 1999. Of these 24 loans, 75% were to farms with revenues of less than \$1 million. Notably, 20 of these loans were in amounts of \$100,000 or less.

Promistar Bank

In 2000, the bank made 18 small farm loans, aggregating \$684,000 within its Johnstown assessment area. Of these 18 loans, 94% were to farms with revenues of less than \$1 million. Notably, 16 of these small farm loans were in amounts of \$100,000 or less.

Pittsburgh Assessment Area (Metropolitan and Non-Metropolitan Areas Combined)



An analysis of the distribution of loans to businesses determined that the bank's lending to small businesses in its Pittsburgh assessment area is consistent with the institution's asset size, lending capacity, and business objectives and reflects excellent penetration among businesses of different sizes.

The number of small business loans originated by the bank in amounts of \$100,000 or less is significant. In general, smaller size loans are commensurate with the borrowing needs of smaller businesses. In 1999, 86% of small business loans were in amounts of \$100,000 or less. In 2000, 87% of loans were in amounts of \$100,000 or less. Promistar's lending activity shows the bank is meeting the credit needs of smaller businesses in its Pittsburgh assessment area.

Promistar Bank

The following tables detail the bank's small business loan originations, as reported for purposes of CRA, for calendar year 1999 and 2000.

PITTSBURGH ASSESSMENT AREA				
1999 SMALL BUSINESS LOANS				
	Number	Percent	\$000	Percent
Loans with original amounts of \$100,000 or less	564	86	14,504	35
Loans with original amounts of more than \$100,000 through \$250,000	59	9	10,118	24
Loans with original amounts of more than \$250,000 through \$1,000,000	33	5	17,137	41
Total Small Business Loans	656	100%	\$41,759	100%

PITTSBURGH ASSESSMENT AREA				
2000 SMALL BUSINESS LOANS				
	Number	Percent	\$000	Percent
Loans with original amounts of \$100,000 or less	569	87	15,699	40
Loans with original amounts of more than \$100,000 through \$250,000	55	9	9,081	23
Loans with original amounts of more than \$250,000 through \$1,000,000	27	4	14,254	37
Total Small Business Loans	651	100%	\$39,034	100%

The following tables further quantify 1999 and 2000 small business lending based upon the annual revenue of the business. Small business loans were analyzed to determine whether they were made to businesses with gross annual revenues of \$1 million or less. Business demographic data revealed that there were 66,416 businesses in the bank's Pittsburgh assessment area. Of these businesses, 88% had sales of \$1 million or less. The distribution of loans reflects an excellent penetration among business customers of different sizes in the assessment area.

PITTSBURGH ASSESSMENT AREA				
1999 SMALL BUSINESS LOANS				
BUSINESS REVENUES				
	Number	Percent	\$000's	Percent
Loans to businesses with revenues of \$1 million or less	491	75	24,326	58
Loans to businesses with revenues of more than \$1 million	165	25	17,433	42
Total Small Business Loans	656	100%	\$41,759	100%

Promistar Bank

PITTSBURGH ASSESSMENT AREA 2000 SMALL BUSINESS LOANS BUSINESS REVENUES				
	Number	Percent	\$000's	Percent
Loans to businesses with revenues of \$1 million or less	530	81	23,001	59
Loans to businesses with revenues of more than \$1 million	121	19	16,033	41
Total Small Business Loans	651	100%	\$39,034	100%

In addition to its small business lending, the bank made one small farm loan within its Pittsburgh assessment area in 1999. The loan, in the amount of \$60,000, was to a farm with revenues of less than \$1 million. In 2000, the bank made seven small farm loans within its Pittsburgh assessment area. All seven loans, aggregating \$267 thousand, were to farms with revenues of less than \$1 million. Six of these small farm loans were in amounts of \$100,000 or less.

Responsiveness To Credit Needs of Highly Economically Disadvantaged Geographies, Low-Income Persons, and Very Small Businesses

As illustrated in the preceding lending analysis, Promistar exhibits a good record of serving the credit needs of the most economically disadvantaged areas of its assessment areas, low-income individuals, and very small businesses, consistent with safe and sound banking practices.

Community Development Lending

Promistar has made a low level of community development loans during the period between examinations. The bank originated five loans totaling \$180 thousand to finance various community development initiatives. Most notably:

- Promistar participated in a \$400,000 loan to a non-profit community group in Johnstown, Pennsylvania. The loan proceeds were used to renovate and convert a multi-purpose building located in a moderate-income geography in Johnstown into a youth center that will include a library, computer room, meeting facility and gym. The bank's share of the loan participation was \$50,000.
- Promistar originated a \$50,000 loan to a non-profit housing agency in Fayette County. Loan proceeds were used for working capital to support affordable housing programs.
- Promistar originated a \$10,000 loan to a non-profit housing agency, located in Altoona, PA, dedicated to providing housing for low- and moderate-income families. The loan proceeds were used to purchase a row house located in a moderate-income geography in Johnstown to be renovated and sold to a low- or moderate-income family.

Promistar Bank

One additional community development loan recognized in previous examinations remains outstanding. The loan balance totaled \$46,000 as of the date of this examination.

Innovative or Flexible Lending Practices

The bank makes extensive use of innovative and flexible lending practices to address the credit needs of its assessment areas, including low- and moderate-income individuals and geographies. The following three community development loan programs were designed by Promistar to provide low- and moderate-income borrowers increased access to credit:

- **Community Development Mortgage Program I**, a conventional mortgage product designed for low- and moderate-income borrowers living in low- and moderate-income geographies within the bank's assessment areas. The loan program offers below market interest rates and reduced down payment and closing costs with no private mortgage insurance required. As of the examination date, Promistar had 137 loans outstanding under this program aggregating \$4.2 million.
- **Community Development Mortgage Program II**, a conventional mortgage product designed for low- and moderate-income borrowers living anywhere within the bank's assessment areas. The loan program offers below market interest rates and reduced down payment and closing costs. As of the examination, Promistar had 251 loans outstanding under this program aggregating \$9.7 million.
- **Community Development Home Improvement Program**, a closed-end home-improvement loan product designed for low- and moderate-income families living anywhere within the bank's assessment areas. The program offers below market interest rates and reduced closing costs. As of the examination, the bank had 75 loans outstanding under this program aggregating \$838,000.

Overall performance within the non-metropolitan areas of the Johnstown Assessment Area (Armstrong, Indiana, and Bedford Counties)

As previously noted, the Johnstown assessment area includes three counties which are not part of the Johnstown MSA. All three counties, Armstrong, Indiana, and Bedford are rural to semi-rural in nature, and, collectively, represent 47 % of the total population of the Johnstown assessment area based on 1990 census data.

Armstrong and Indiana Counties are geographically juxtaposed and are northwesterly adjacent to Cambria County, which is part of the Johnstown MSA. The economy of Indiana County is influenced significantly by the presence of a comparatively large university located in the central part of the county.

Bedford County is largely rural in nature and is situated directly east of Somerset County, which, is also part of the Johnstown MSA.

Promistar Bank

Together, the three counties contain no low-income geographies and eight moderate-income geographies. Collectively, the eight moderate-income geographies represent 14% of the combined population within the three counties. Additional details of the composition of each county by census tract type is recapped in the following table

NON-METROPOLITAN AREAS OF THE JOHNSTOWN ASSESSMENT AREA				
CENSUS TRACT CATEGORY BY INCOME	Armstrong County	Indiana County	Bedford County	Total
LOW INCOME	0	0	0	0
MODERATE INCOME	3	3	2	8
MIDDLE INCOME	16	16	9	41
UPPER INCOME	0	3	0	3
TOTALS	19	22	11	52

Promistar maintains three full-service banking offices in Armstrong County, one office in Indiana County, and six in Bedford County. The ten offices represent 22% of the institution's total number of banking offices in the Johnstown assessment area and 14% of Promistar's banking offices overall.

Promistar's CRA performance within each of the three counties, with respect to lending, investments, and services is somewhat below the institution's performance within the Johnstown assessment area, overall. However, this assessment does not change the overall assessment of Promistar's performance within the Johnstown assessment area, as a whole, nor the overall CRA outstanding rating assigned the institution.

Home Mortgage Lending

Armstrong and Indiana Counties

Promistar's home mortgage lending patterns within Armstrong and Indiana Counties are similar. The bank originated a total of 434 home mortgage loans in an aggregate amount of \$16.3 million during the years 1999 and 2000, combined, within the two counties. The number of loans originated represents 12% of the bank's aggregate number of home mortgages originated throughout the entire Johnstown assessment area during 1999 and 2000. In comparison, total owner-occupied residential housing units within Armstrong and Indiana Counties, combined, account for 35% of total owner-occupied units within the Johnstown assessment area.

Promistar's overall home mortgage lending penetration within Armstrong and Indiana Counties is limited in context of the relative level of owner-occupied housing units within the two counties. Nevertheless, the percentage of mortgage loans originated within the counties' moderate-income geographies exceeds the percentage of owner-occupied housing units in such geographies. Home mortgages originated in moderate-income geographies during 1999 and 2000 represented 15% of total originations in the two counties. In comparison, 13% of the owner-occupied housing units within Armstrong and Indiana Counties are located in moderate-income geographies.

Promistar Bank

Mortgage loans originated among low- and moderate-income borrowers, irrespective of geography, accounted for 31% of total loans originated within Armstrong and Indiana Counties during 1999 and 2000. In comparison, 40% of all families within the counties have been designated as low- and moderate-income.

Bedford County

Promistar originated a total of 622 home mortgage loans in an aggregate amount of \$20.5 million during the years 1999 and 2000, combined, within Bedford County. The number of loans originated represents 18% of the bank's aggregate number of home mortgages originated throughout the entire Johnstown assessment area during 1999 and 2000. In comparison, total owner-occupied residential housing units within Bedford County account for 11% of total owner-occupied units within the Johnstown assessment area.

The percentage of mortgage loans originated within Bedford County's two moderate-income geographies is commensurate with the percentage of owner-occupied housing units in such geographies. Home mortgages originated in moderate-income geographies during 1999 and 2000 represented 16% of total originations. In comparison, 18% of Bedford County's owner-occupied housing units are located in moderate-income geographies.

Mortgage loans originated among low- and moderate-income borrowers, irrespective of geography, accounted for 31% of total loans originated within Bedford County during 1999 and 2000. In comparison, 44% of all families within the counties have been designated as low- and moderate-income.

Consumer Lending

Armstrong and Indiana Counties

Promistar's consumer lending patterns within Armstrong and Indiana Counties are similar. Promistar originated a total of 1439 consumer loans in an aggregate amount of \$14.1 million during 2000 within Armstrong and Indiana Counties. This number represents 14% of the bank's aggregate number of consumer loans originated throughout the entire Johnstown assessment area during 2000. In comparison, total households in Armstrong and Indiana Counties account for 35% of total households within the Johnstown Assessment Area.

Promistar's overall consumer lending penetration within Armstrong and Indiana Counties is limited in the context of the relative level of households within the two counties. Nevertheless, the percentage of consumer loans within the counties' moderate-income geographies well exceeds the percentage of households in such geographies. Approximately 20% of the consumer loans were originated to households within the counties' moderate-income geographies while 80% were originated to households in middle- and upper-income geographies. Applicable census data shows that 13% of the counties' households are located in moderate-income geographies and 87% in middle- and upper-income geographies.

Promistar Bank

Consumer lending penetration among low- and moderate-income borrowers in Armstrong and Indiana Counties, irrespective of geography, is commensurate with the level the county's low- and moderate-income households. Forty percent of consumer loans originated during 2000 were originated to low- and moderate-income borrowers; 43% of the county's households have been designated as low- and moderate-income.

Bedford County

Promistar originated a total of 1239 consumer loans in an aggregate amount of \$11.9 million during 2000 within Bedford County. This number represents 12% of the bank's aggregate number of consumer loans originated throughout the entire Johnstown assessment area during 2000. In comparison, total households in Bedford County account for 11% of total households within the Johnstown assessment area.

The percentage of consumer loans originated within the county's moderate-income geographies is limited. Only five percent of the consumer loans were originated to households within the county's moderate-income geographies while 95% were originated to households in middle-income geographies. Applicable census data shows that 17% of the county's households are located in moderate-income geographies and 83% in middle- income geographies.

Nevertheless, consumer lending penetration among low- and moderate-income borrowers in Bedford County, irrespective of geography, is commensurate with the level of the county's low- and moderate-income households. Forty-two percent of consumer loans originated during 2000 were originated to low- and moderate-income borrowers; 44% of the county's households have been designated as low- and moderate-income.

Small Business Lending

Armstrong and Indiana Counties

Overall small business lending within Armstrong and Indiana Counties is limited relative to the level of businesses within the two counties. Promistar originated a total of 136 small business loans in an aggregate amount of \$5.5 million during the years 1999 and 2000 combined, within Armstrong and Indiana Counties. This number represents 18% of the bank's aggregate number of small business loans originated throughout the entire Johnstown assessment area during 1999 and 2000. In comparison, total businesses within the two counties accounted for 35% of total number of businesses within the Johnstown assessment area.

Although overall lending is somewhat limited within the two counties, the level of small business loans in Armstrong County's moderate-income geographies is deemed adequate. In addition, the percentage of small business loans originated in Indiana's moderate-income geographies exceeds the percentage of businesses located in such geographies.

Promistar Bank

Nine or 20% of the 44 small business loans originated in Armstrong County were originated to businesses within the county's three moderate-income geographies while 80% were originated to businesses in moderate-income geographies. Applicable data provided by Dun and Bradstreet shows that 31% of the county's businesses are located in moderate-income geographies while 69% are in middle-income geographies.

Seven or 8% of the 92 small business loans originated in Indiana County were originated to businesses within the county's three moderate-income geographies while 92% were originated to businesses in middle- and upper-income geographies. Applicable Dun and Bradstreet data shows that only 6% of Indiana county's businesses are located in the three moderate-income geographies while 94% are in middle- or upper-income geographies.

The substantial majority (91%) of the 44 small business loans originated in Armstrong County during 1999 and 2000 were originated in amounts of \$100,000 or less. Seventy-five percent of the small business loans were extended to businesses with annual revenues of \$1 million or less.

Correspondingly, the substantial majority (91%) of the 92 small business loans originated in Indiana County during 1999 and 2000 were originated in amounts of \$100,000 or less. Moreover, 87% of the small business loans were extended to businesses with annual revenues of \$1 million or less.

Bedford County

Promistar originated a total of 48 small business loans in an aggregate amount of \$1.3 million during the years 1999 and 2000 within Bedford County. This number represents 6% of the bank's aggregate number of small business loans originated throughout the entire Johnstown assessment area during 1999 and 2000. In comparison, total businesses within Bedford County accounted for 10% of the total number of businesses within the Johnstown assessment area.

The level of small business loans originated in Bedford County's two moderate-income geographies is limited somewhat. Only three or 6% of the 48 small business loans originated in the county were originated to businesses within the county's moderate-income geographies while 95% were originated to businesses in moderate-income geographies. Applicable Dun and Bradstreet data shows that 8% of the county's businesses are located in moderate-income geographies while 92% are in middle-income geographies.

Notwithstanding the limited level of small business loans in moderate-income geographies, the substantial majority (96%) of the 48 small business loans originated in Bedford County during 1999 and 2000 were originated in amounts of \$100,000 or less. Furthermore, 93% of the small business loans were extended to businesses with annual revenues of \$1 million or less.

Promistar Bank

In addition to its small business lending in Bedford County, Promistar originated a total of 15 small farm loans in an aggregate amount of \$943 thousand during the years 1999 and 2000 combined, within the county. All of these loans were extended to farms with annual revenues of \$1million or less. Moreover, 13 or 87% of the small farm loans were originated in amounts of \$100,000 or less.

Investment and Service Performance

Promistar's level of investments, collectively, within Armstrong, Indiana, and Bedford Counties is somewhat limited. Nevertheless, the bank has made a substantial investment in a statewide program that avails affordable housing statewide throughout Pennsylvania, including the three counties.

As already noted, Promistar maintains 10 full-service banking offices collectively, within Armstrong, Indiana, and Bedford Counties. In context of the rural to semi-rural nature of the counties, the offices are deemed to be reasonably accessible to the residents of the respective counties in which the offices are located, including the residents of moderate-income geographies.

Loan products, retail financial services, and community development services offered by Promistar's 10 offices within the three counties are consistent with products and services offered by the other banking offices within the Johnstown assessment area.

Overall performance within the non-metropolitan area of the Pittsburgh Assessment Area (Greene County)

Greene County, which is situated in the southwestern corner of Pennsylvania and contains less than 2% of the total population of the Pittsburgh assessment area, is the only county within the seven-county Pittsburgh assessment area that is not part of the Pittsburgh MSA. The county remains considerably rural in nature and had a population of 39,550 based on 1990 census data.

Two of the eight geographies that comprise Greene County are moderate-income and contain 25% of the county's population. The other geographies are middle-income. The county contains no low- or upper-income geographies.

Promistar maintains two full-service banking offices within Greene County, which represents 8% of the institution's total number of banking offices in the Pittsburgh assessment area and 3% of Promistar's banking offices overall.

Promistar's CRA performance within Greene County, with respect to lending, investments, and services is somewhat below the institution's performance within the Pittsburgh assessment area, overall. However, this assessment does not change the overall assessment of Promistar's performance within the Pittsburgh assessment area, as a whole, nor the overall CRA outstanding rating assigned the institution.

Promistar Bank

Home Mortgage Lending

Promistar originated a total of 99 home mortgage loans in an aggregate amount of \$3.4 million during the years 1999 and 2000 combined, within Greene County. This number represents 6% of the bank's aggregate number of home mortgages originated throughout the entire Pittsburgh assessment area during 1999 and 2000. In comparison, total owner-occupied residential housing units in Greene County account for less than 2% of total owner-occupied units within the Pittsburgh Assessment Area.

Promistar's home mortgage lending activities within Greene County's moderate-income geographies is limited relative to the level of owner-occupied housing units in such geographies. Home mortgage loans originated in the two moderate-income geographies represented approximately 5% of total mortgage loans originated during 1999 and 2000 in the county. In comparison, nearly 26% of Greene County's owner-occupied housing units are located in the county's two moderate-income geographies.

Nevertheless, the bank's level of mortgage lending among low- and moderate-income borrowers, irrespective of geography, increased to 36% during 2000 from 22% in 1999. The increased percentage in 2000 more closely approximates applicable demographic measures; 46% of all families in the county have been designated as low- and moderate-income.

Consumer Lending

Promistar originated a total of 497 consumer loans in an aggregate amount of \$5.0 million during 2000 within Greene County. This number represents 6% of the bank's aggregate number of consumer loans originated throughout the entire Pittsburgh assessment area during 2000. In comparison, total households in Greene County account for less than 2% of total households within the Pittsburgh Assessment Area.

Approximately 20% of the consumer loans originated in Bedford County were originated to households within the county's two moderate-income geographies while 80% were originated to middle-income geography households. Applicable census data shows that 25% of the county's households are located in moderate-income geographies and 75% in middle-income geographies.

Lending penetration among moderate-income borrowers in Greene County, irrespective of geography, slightly exceeds the percentage of the county's moderate-income households. Twenty percent of consumer loans originated during 2000 were originated to moderate-income borrowers; 19% of the county's households are moderate-income. However, consumer lending penetration among low-income borrowers is considerably less than the level of low-income households. Thirteen percent of consumer loans originated were originated to low-income borrowers. In comparison, nearly 30% of the county's households are low-income, irrespective of geography.

Promistar Bank

Small Business Lending

Promistar originated a total of 61 small business loans in an aggregate amount of \$2.8 million during the years 1999 and 2000, combined, within Greene County. In terms of number, such volume represents 5% of the bank's aggregate small business lending throughout the entire Pittsburgh assessment area during 1999 and 2000. In comparison, total businesses within Greene County account for less than 2% of total businesses within the Pittsburgh assessment area.

Approximately 21% of the small business loans originated in Bedford County were originated to businesses within the county's two moderate-income geographies while 79% were originated to businesses in moderate-income geographies. Such lending distribution is commensurate with applicable demographic measures. Applicable census data shows that 19% of the county's businesses are located in moderate-income geographies while 81% are in middle-income geographies.

The substantial majority (90%) of the 61 small business loans originated during 1999 and 2000 were originated in amounts of \$100,000 or less, which is indicative of Promistar's overall responsiveness to the credit needs of small businesses in Greene County. Moreover, 75% of the small business loans were extended to businesses with annual revenues of \$1 million or less.

Investment and Service Performance

Although Promistar's level of investments within Greene County is limited, the bank has made a substantial investment in a statewide program that avails affordable housing statewide throughout Pennsylvania, including Greene County.

As already noted, Promistar maintains two full service banking offices within Green County. In context of the rural nature of the county, both offices are deemed reasonably accessible to the residents of the county's eight geographies, including the two moderate-income geographies.

Loan products, retail financial services, and community development services offered by Promistar's two offices within Greene County are consistent with products and services offered by the other banking offices within the Pittsburgh assessment area..

INVESTMENT TEST

Performance under the Investment Test is assessed as High Satisfactory.

The investment test evaluates a financial institution's level of qualified investments serving low- and moderate-income geographies and individuals, along with the innovativeness and complexity of such investments. Qualified investments made prior to the previous examination that are still outstanding are considered under the test. For purposes of 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.

Promistar Bank

Volume of Investment and Grant Activity

Promistar has a significant level of qualified community development investments, and is occasionally in a leadership position. These investments include:

- A \$315,000 investment in a Pennsylvania Housing Finance Agency (PHFA) municipal bond. The bond was issued in a statewide program primarily to support affordable housing for low- and moderate-income families in Pennsylvania.
- A savings account deposit with the Dwelling House Savings and Loan Association, Pittsburgh, PA, a minority-owned bank operating mainly in the low- and moderate-income geographies of the bank's Pittsburgh assessment area. The account balance as of the examination date was \$104,000.

Promistar holds seven additional equity investments, recognized in previous examinations, which remain outstanding. These equity investments, supporting both affordable housing and small business development within the bank's assessment areas, total \$3.3 million.

In addition to investments, the bank has made grants and contributions to organizations that routinely provide community development and affordable housing services that benefit low- and moderate-income individuals and geographies. During the period between examinations, the bank made approximately \$180,000 in qualified grants and contributions.

In context of the bank's asset size and overall operating capacity, the present dollar volume of investments is significant.

Responsiveness to Credit and Community Development Needs

- Promistar has demonstrated a good responsiveness to credit and community development needs through the use of investments to support community development initiatives. Qualified investments are tailored to the needs of particular geographic areas and organizations. Specifically, a substantial majority of the bank's investments promote affordable housing for both low- and moderate-income families and elderly in its assessment area and support organizations that provide community development services.

The bank also holds investments that promote small business development and expansion in the Johnstown MSA. Of particular note is extensive investments supporting Johnstown Area Regional Industries (JARI) and the JARI Center for Business Development, a small business incubator. These investments promote job creation in an area with a relatively high unemployment rate.

Qualified investments total approximately \$3.9 million. Of the total investments, 87% supported affordable housing, 9% were directed to economic development activities, and the remaining 4% of investments supported community development services.

Promistar Bank

Use of Innovative and Complex Investments to Support Community Development Initiatives

Promistar makes significant use of innovative and complex investments to support community development initiatives. The bank operates Promistar Community Development Corporation, a non-banking subsidiary that holds bank investments in several affordable housing projects. The bank is a limited partner in these collaborations with local community groups and provides managerial and technical expertise to the housing projects. Such multi-family dwellings provide affordable rental housing alternatives to low- and moderate-income elderly and families living in the bank's assessment areas.

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 (openings and closings) upon low- and moderate-income geographies and 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.

Accessibility of Delivery Systems

A review of the bank's retail banking services revealed that its branch delivery systems are readily accessible to all portions of the bank's assessment area. The bank offers retail services through 74 full-service branch offices. One branch is located in a low-income geography and 16 branches are located in moderate-income geographies. In addition, the bank operates 58 ATMs through its 24-hour banking network linked with the Money Access Card (MAC), Cirrus, Plus and Honor systems that provide electronic access to banking services through a larger network of ATMs. Of the bank's 58 ATMs, 49 are maintained at current branch locations, including one at the low-income branch and ten at moderate-income branches. An additional nine ATMs are at remote locations.

The bank's full service branch offices are summarized by geography and mapped as follows:

Geography	Number of Branch Offices	Percent
Low-Income	1	1%
Moderate-Income	15	20%
Middle-Income	51	69%
Upper-Income	7	10%
TOTALS	74	100%

Promistar Bank

In addition, the bank closed six branch offices:

- (1) 922 Philadelphia Street, Indiana, PA 15701
- (2) 1705 Route 286 South, Indiana, PA 15701
- (3) 976 Barn Street, Hooversville, PA 15936
- (4) 1235 Main Street, Shanksville, PA 15560
- (5) 7109 Mason Dixon Highway, Meyersdale, PA 15552
- (6) 324 Curry Hollow Road, Pittsburgh, PA 15236

Four of the closed branch offices were located in middle-income geographies and two in upper-income geographies.

Pursuant to Section 42 of the Federal Deposit Insurance Corporation Improvement Act (FDICIA), the bank maintains procedures to assess any adverse effect that an office or branch closure would have upon any segment of its assessment areas. A formal branch closing policy has been adopted that provides for an objective assessment of any branch closure, including an evaluation of continuity of services and consideration of alternative solutions. The policy also provides for sufficient advance notice to the community or community segment, as applicable.

Reasonableness of Business Hours and Services in Meeting Assessment Area Needs

Services do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies or low- and moderate-income individuals. Banking services are offered in a uniform and consistent manner among all branches.

Community Development Services

Promistar Bank provides a relatively high level of community development services, including the following:

- The bank offers Economy Checking, a basic checking account with no minimum balance requirement and eight free checks per statement cycle. A monthly maintenance fee of \$2.50 is charged. The account was established to provide greater access to banking services for low- and moderate-income individuals.
- Promistar has partnered with the Fayette County Community Action Agency (FCCAA) in the Family Savings Account (FSA) Program, a matched savings program funded by the Pennsylvania Department of Community and Economic Development. Account holders generally save \$10 to \$15 per week for two years. At the end of that period, account holders may use the accumulated savings, plus a 50% match from the state, for a specific, pre-determined use (small business funding, home-ownership, home repair, advanced education, or retirement.) The participating bank opens FSA accounts, waives standard fees, and provides participant account balance reports to the account holders and to FCCAA. To qualify for the Program, depositors must meet income guidelines that effectively reserve the Program for low- and moderate-income families. Since the inception of the program, the bank has opened 25 FSA accounts with aggregate savings of \$22,000.

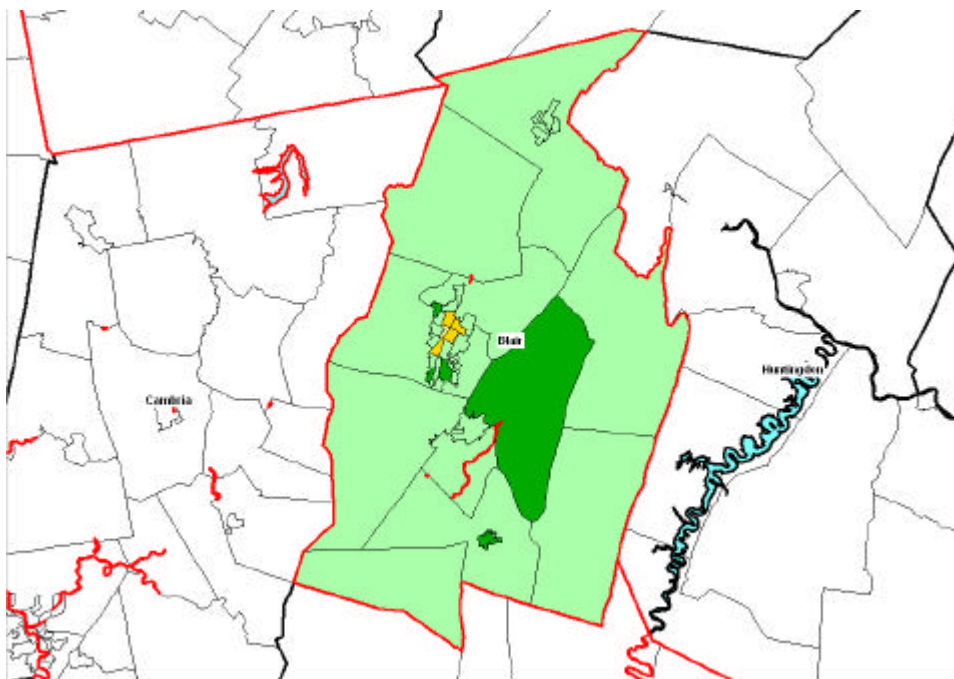
Promistar Bank

- The bank, through its affiliate Promistar Community Development Corporation, holds investments in affordable housing projects within its assessment areas and provides managerial and technical expertise to the projects to ensure that eligible low- and moderate-income tenants occupy the units and that monthly rentals do not exceed established guidelines. Such multi-family dwellings provide affordable rental housing alternatives to low- and moderate-income elderly.

Bank officers and employees serve in various capacities on boards and committees of numerous community development organizations. These organizations include:

The Pittsburgh Community Reinvestment Group
Housing Opportunities of Blair County
The Johnstown Industrial Development Corp.
Housing Opportunities, Inc., of Cambria County
The Fayette Industrial Fund
Habitat for Humanity
The Johnstown Department of Community and Economic Development
The Southern Allegheny Planning and Development Commission
The Westmoreland Economic Development Corp.
The Fayette County Community Action Agency

ALTOONA ASSESSMENT AREA



A full-scope analysis of the bank's CRA performance in the Altoona assessment area was not performed due to the limited amount of lending activity during the period of examinations.⁸ Banking services provided in the Altoona assessment area mirror those offered in the Johnstown and Pittsburgh assessment areas.

Promistar's lending, investment, and service performance within the Altoona assessment area is deemed generally consistent with the outstanding CRA rating assigned to the institution overall.

For a complete discussion of community development services and community development investments in the Altoona assessment area, refer to the **INVESTMENT TEST AND SERVICES TEST** section of this Public Evaluation, starting on page 47.

The Altoona assessment area consists of 36 geographies located in Blair County, comprising the entire Altoona MSA. Of the 36 geographies, one is designated as low-income, four are moderate-income, 26 are middle-income and five are upper-income. The bank operates two branches in this assessment area, including one in the city of Altoona and one in Hollidaysburg. Both branches are located in middle-income geographies.

⁸ Promistar's total overall lending in 2000 shows that 2% of its HMDA loans, 8% of consumer loans and 8% of small business loans were originated in the bank's Altoona assessment area.

Promistar Bank

The assessment area's population totals 130,542, with 1% of people residing in low-income geographies, 12% in moderate-income geographies, 75% in middle-income geographies, and 12% in upper-income geographies. Of the 50,325 households in the assessment area, 72% are families. Of the 36,051 families, 19% are designated as low-income, 19% are moderate-income, 25% are middle-income and 37% are upper-income. The median housing value in the assessment area is just \$40,655, which is well below the state value of \$69,075.

Geographic Distribution of Lending

Home Mortgage Lending

Promistar is not considered a major residential mortgage lender within the Altoona assessment area. According to 1999 aggregated HMDA data, 4,392 home mortgage loans were collectively originated by 164 financial institutions within the assessment area. Promistar ranked 8th among these institutions with a market share of 3%. Keystone Financial Bank, N.A., and Reliance Savings Bank ranked first and second with 21% and 11% of the market, respectively.

The following tables show the geographic distribution of the bank's home mortgage lending activity in the Altoona assessment area in 1999 and 2000.

ALTOONA ASSESSMENT AREA 1999 HMDA GEOGRAPHIC DISTRIBUTION NUMBER AND DOLLAR AMOUNTS OF LOANS				
Type of Geography	Number	Percent	\$000's	Percent
Low-Income	0	0	0	0
Moderate-Income	10	5	369	3
Middle-Income	175	80	10,184	80
Upper-Income	34	15	2,226	17
All Geographies	219	100%	\$12,779	100%

ALTOONA ASSESSMENT AREA 2000 HMDA GEOGRAPHIC DISTRIBUTION NUMBER AND DOLLAR AMOUNTS OF LOANS				
Type of Geography	Number	Percent	\$000's	Percent
Low-Income	0	0	0	0
Moderate-Income	3	10	77	4
Middle-Income	24	77	1,494	83
Upper-Income	4	13	230	13
All Geographies	31	100%	\$1,801	100%

Promistar Bank

An analysis of the bank's consumer loan data revealed the following income distribution for loans within the Altoona assessment area:

ALTOONA ASSESSMENT AREA 2000 – CONSUMER LOANS GEOGRAPHIC DISTRIBUTION					
Income Level;	Number of Loans	Percent of Loans	Number of Households	Percent of Households	Percent of Loans / Percent of Households
Low-income	4	1	12,083	24	0.04
Moderate-income	140	8	8,057	16	0.50
Middle-income	1,348	80	9,579	19	4.20
Upper-income	185	11	20,606	41	0.27
All Borrowers	1,677	100%	50,325	100%	1.00

Geographic Business Data

The percentage of small businesses located within designated geographies is used as a proxy to estimate demand for small business credit within such geographies. In Promistar's Altoona assessment area, only 18% of the assessment area's small businesses are located in the low- and moderate-income geographies. The substantial majority of small businesses (82%) are located in middle- and upper-income geographies.

The following table shows the distribution of small businesses by geographic designation:

ALTOONA ASSESSMENT AREA SMALL BUSINESS DISTRIBUTION BY GEOGRAPHY		
Type of Geography	Number of Small Businesses	Percent of Small Businesses
Low-Income	137	5
Moderate-Income	383	13
Middle-Income	2,048	72
Upper-Income	277	10
All Geographies	2,845	100%

Small Business Lending in the Altoona Assessment Area

In 1999, Promistar originated 62 small business loans in an aggregate amount of \$3.3 million. In 2000, the bank originated 54 small business loans in an aggregate amount of \$1.2 million. A comparison of the number of small business loans in each type of geography to the number of small businesses located in each type of geography demonstrates the bank's commitment to making credit available to its entire community.

Promistar Bank

Business demographics revealed that there were a total of 2,845 small businesses within the bank's assessment area. In 1999, Promistar's extension of credit to these businesses shows that low-income geographies received 3% of small business loans, while 5% of small businesses are located in these geographies. Moderate-income geographies received 5% of small business loans, while 13% of small businesses are located in these geographies. Middle-income geographies received 73% of small business loans for their 72% share of small businesses. Upper-income geographies received 19% of small business loans for their 10% share of small businesses.

Analysis of Promistar's lending activity in 2000 shows that low-income geographies received 8% of small business loans, moderate-income geographies received 11% of small business loans, middle-income geographies received 74% of small business loans and upper-income geographies received 7% of small business loans.

Using the number of small businesses as a proxy for loan demand, the following tables detail Promistar's percent of loans as a percent of small businesses within each geography type.

ALTOONA ASSESSMENT AREA 1999 SMALL BUSINESS LOANS GEOGRAPHIC DISTRIBUTION					
Type of Geography	Number of Loans	Percent of Loans	Number of Small Businesses	Percent of Small Businesses	Percentage of Loans To Percentage of Businesses
Low-Income	2	3	137	5	0.60
Moderate-Income	3	5	383	13	0.39
Middle-Income	45	73	2,048	72	1.01
Upper-Income	12	19	277	10	1.90
All Geographies	62	100%	2,845	100%	1.00

ALTOONA ASSESSMENT AREA 2000 SMALL BUSINESS LOANS GEOGRAPHIC DISTRIBUTION					
Type of Geography	Number of Loans	Percent of Loans	Number of Small Businesses	Percent of Small Businesses	Percentage of Loans To Percentage of Businesses
Low-Income	4	8	137	5	1.60
Moderate-Income	6	11	383	13	0.85
Middle-Income	40	74	2,048	72	1.03
Upper-Income	4	7	277	10	0.70
All Geographies	54	100%	2,845	100%	1.00

Promistar Bank

Geographic Distribution in Relation to Market Performance

According to 1999 aggregated small business lending data, a total of 1,215 small business loans were originated in the Altoona assessment area. Promistar originated 62 of these loans, capturing 5% of the total market. As shown in the following table, a comparison of Promistar's lending activity to the market shows that, over the two year period 1999 and 2000, the bank performed about the same as the market in all geographies.

MARKET COMPARISON OF THE GEOGRAPHIC DISTRIBUTION SMALL BUSINESS LOANS PERCENT OF LOANS ORIGINATED			
Type of Geography	PROMISTAR 2000	PROMISTAR 1999	MARKET 1999
Low-Income	8	3	5
Moderate-Income	11	5	8
Middle-Income	74	73	74
Upper-Income	7	19	13
All Geographies	100%	100%	100%

Lending to Borrowers of Different Income Levels

Home Mortgage Loans

The following tables show the distribution of loans to borrowers of different income levels within the Altoona assessment area:

ALTOONA ASSESSMENT AREA 1999 HMDA BORROWER INCOME DISTRIBUTION NUMBER AND DOLLAR AMOUNTS OF LOANS				
Type of Borrower	Number	Percent	\$000's	Percent
Low-Income Families	8	6	85	1
Moderate-Income Families	24	17	774	9
Middle-Income Families	38	27	1,913	22
Upper-Income Families	72	50	5,818	68
All Borrowers	142	100%	\$8,590	100%

Promistar Bank

ALTOONA ASSESSMENT AREA 2000 HMDA BORROWER INCOME DISTRIBUTION NUMBER AND DOLLAR AMOUNTS OF LOANS				
Type of Borrower	Number	Percent	\$000's	Percent
Low-Income Families	3	10	46	3
Moderate-Income Families	2	7	63	4
Middle-Income Families	11	37	992	58
Upper-Income Families	14	46	600	35
All Borrowers	30	100%	\$1,701	100%

Consumer Loans

ALTOONA ASSESSMENT AREA 2000 CONSUMER LOAN BORROWER INCOME DISTRIBUTION ⁹ NUMBER AND DOLLAR AMOUNTS OF LOANS				
Type of Borrower	Number	Percent	\$000's	Percent
Low-Income Borrowers	200	12	1,502	8
Moderate-Income Borrowers	369	22	3,867	20
Middle-Income Borrowers	441	27	4,989	25
Upper-Income Borrowers	639	39	9,259	47
All Borrowers	1,649	100%	\$19,617	100%

Lending to Businesses of Different Sizes

Of the number of small business loans originated by the bank in 1999, 84% were in amounts of \$100,000 or less. In general, smaller size loans are commensurate with the borrowing needs of smaller businesses. In 2000, 98% of loans were in amounts of \$100,000 or less.

⁹ Of Promistar's 1,677 consumer loans in 2000, 28 had no borrower income information available. These 28 loans were excluded from the analysis.

Promistar Bank

The following tables detail the bank's small business loan originations, as reported for purposes of CRA, for calendar year 1999 and 2000.

ALTOONA ASSESSMENT AREA 1999 SMALL BUSINESSES LOANS				
	Number	Percent	\$000	Percent
Loans with original amounts of \$100,000 or less	52	84	862	26
Loans with original amounts of more than \$100,000 through \$250,000	6	10	1,043	31
Loans with original amounts of more than \$250,000 through \$1,000,000	4	6	1,428	43
Total Small Business Loans	62	100%	\$3,333	100%

ALTOONA ASSESSMENT AREA 2000 SMALL BUSINESSES LOANS				
	Number	Percent	\$000	Percent
Loans with original amounts of \$100,000 or less	53	98	1,030	88
Loans with original amounts of more than \$100,000 through \$250,000	1	2	145	12
Loans with original amounts of more than \$250,000 through \$1,000,000	0	0	0	0
Total Small Business Loans	54	100%	\$1,175	100%

The following tables further quantify 1999 and 2000 small business lending based upon the annual revenue of the business. Small business loans were analyzed to determine whether they were made to businesses with gross annual revenues of less than \$1 million. Business demographic data revealed that there were 3,245 businesses in the bank's Altoona assessment area. Of these businesses, 2,845 (88%) had sales of \$1 million or less.

Promistar Bank

The following tables show the distribution of loans among business customers of different sizes in the Altoona assessment area.

ALTOONA ASSESSMENT AREA 1999 SMALL BUSINESS LOANS BUSINESS REVENUES				
	Number	Percent	\$000's	Percent
Loans to businesses with revenues of \$1 million or less	59	95	3,245	97
Loans to businesses with revenues of more than \$1 million	3	5	88	3
Total Small Business Loans	62	100%	\$3,333	100%

ALTOONA ASSESSMENT AREA 2000 SMALL BUSINESS LOANS BUSINESS REVENUES				
	Number	Percent	\$000's	Percent
Loans to businesses with revenues of \$1 million or less	48	89	1,058	90
Loans to businesses with revenues of more than \$1 million	6	11	117	10
Total Small Business Loans	54	100%	\$1,175	100%

COMPLIANCE WITH FAIR LENDING LAWS

No credit practices were identified that violated the substantive provisions of the anti-discrimination laws and regulations, including the Equal Credit Opportunity Act (Regulation B), The Fair Housing Act, and the Home Mortgage Disclosure Act (Regulation C), and all relevant agency regulations pertaining to nondiscriminatory treatment of credit applicants.