



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

Public Disclosure

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Community Reinvestment Act
Performance Evaluation

County National Bank
Charter Number: 13998

Market and Second Street
Clearfield, PA 16830

Office of the Comptroller of the Currency

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4075 Monroeville Boulevard, Building 2, Suite 300
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NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

Table of Contents

OVERALL CRA RATING 1

DEFINITIONS AND COMMON ABBREVIATIONS 2

DESCRIPTION OF INSTITUTION..... 5

SCOPE OF THE EVALUATION..... 6

FAIR LENDING REVIEW 7

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS..... 8

 LENDING TEST 8

 INVESTMENT TEST 11

 SERVICE TEST 12

APPENDIX A: SCOPE OF EXAMINATIONA-1

APPENDIX B: MARKET PROFILES FOR FULL-SCOPE AREASB-1

APPENDIX C: TABLES OF PERFORMANCE DATAC-1

Overall CRA Rating

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

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

Performance Levels	(County National Bank) Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X		X
High Satisfactory			
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			

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

The major factors that support this rating include:

- An excellent record of lending within the assessment area (AA).
- An excellent geographic distribution of housing loans in moderate-income geographies.
- An excellent geographic distribution of small businesses loans in moderate-income geographies.
- A good distribution of housing loans to borrowers of different income levels, (particularly moderate-income individuals), considering area demographics.
- An excellent distribution of loans to businesses of different sizes, a substantial number of which were originated for under \$100,000.
- An adequate level of community development lending, which was targeted to AA housing needs.
- Given limited opportunity, an adequate level of community development investments targeted for low- and moderate-income borrowers.
- A service and delivery system, which is readily accessible to individuals and geographies of different income levels.
- A good level of community development services.

Definitions and Common Abbreviations

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

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

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

Block Numbering Area (BNA): A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

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

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

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

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

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also

include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male household and no wife present) or 'female householder' (a family with a female householder and no husband present).

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

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

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

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

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

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

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

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

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

Metropolitan Area (MA): Any primary metropolitan area (PMA), metropolitan area (MA), or consolidated metropolitan area (CMA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

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

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

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

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

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

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

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

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as non-mortgage, commercial loans.

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

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

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

Description of Institution

County National Bank (CNB) is a full service intrastate community bank headquartered in Clearfield, Pennsylvania. CNB is a subsidiary of CNB Financial Corporation (CNBFC), a single bank holding company also located in Clearfield, Pennsylvania. Clearfield is a predominately rural area located approximately 150 miles northeast of Pittsburgh, Pennsylvania. CNB operates 19 full service branches and one stand-alone drive-through facility within the AA. The drive through facility services the bank's main branch office in Clearfield. Automated teller machines (ATM's) are located at 16 of the bank's branch offices. Since the last examination, CNB has opened one new branch office in Northern Cambria, Pennsylvania and consolidated one drive-up deposit taking facility in Philipsburg, Pennsylvania into a full service branch. Since the last examination the bank has also closed one ATM, which was located on the Bradford, Pennsylvania campus of the University of Pittsburgh.

As of December 31, 2002, total bank assets were \$661 million and net loans lease represented 63.17% of average assets. As of year-end 2002, assets included investments of \$185 million, real estate loans of \$244 million, commercial loans of \$129 million, individual loans of \$38 million, and other loans of \$14 million. Real estate, commercial, individual and other loans represent 57%, 30%, 9%, and 3%, respectively of the bank's total loan portfolio. As of December 31, 2002, deposits totaled \$545 million and Tier 1 capital equaled \$49.6 million. There are no impediments, legal or otherwise which would hinder the bank's ability to help meet the credit needs of its AA.

CNB was rated "Satisfactory" at its last CRA examination dated November 1, 1999.

Scope of the Evaluation

Evaluation Period/Products Evaluated

CNB's performance was evaluated over the period from July 1, 1999 through December 31, 2002. Bank products evaluated included home purchase, improvement and refinance loans as well as small business loans. Also reviewed were community development loans, investments and services over the period from December 29, 1999 and February 3, 2003. Agricultural lending is not a primary business line for CNB and over the evaluation period, CNB originated only 14 small loans to farms. An analysis of CNB's record of originated small loans to farms would not be meaningful and therefore was not performed. Consequently, tables 6 and 11 are not included in the Public Evaluation. Since an analysis of consumer loans was not performed, Table 14 was also not included in the Public Evaluation.

Data Integrity

An on-site evaluation to verify the integrity of publicly filed loan data and community development loans and investments was performed during June of 2002. The evaluation encompassed a review of bank processes to ensure data reliability. The evaluation identified no material issues concerning data integrity. Public data used in this evaluation of the bank's performance is considered to be accurate.

Selection of Areas for Full-Scope Review

CNB's entire AA was selected for a full scope review. The bank has delineated a single AA. The AA includes 64 census tracts (CTs). The CTs encompass all of Clearfield, Cameron, and McKean Counties and portions of Elk, Jefferson, Centre, Cambria, and Indiana Counties. Nearly the entire AA (56 CTs) is located outside of an MSA. However, the AA includes three CTs located in the State College MSA and five CTs located in the Johnstown MSA. These MSA CTs are contiguous to the bank's non-MSA CTs and are home or near to CNB branches. It is reasonable that the bank includes MSA CTs within its AA. The MSA CTs constitute only small portions of the MSAs in which they are located.

Ratings

CNB's overall rating is based on a full scope review performed for the bank's AA. Equal weight was placed on the bank's record of originating home mortgage and small loans to businesses in arriving at the rating for the Lending Test.

Other

Examiners contacted the executive director of a community action group in Clearfield County. The director expressed a need for low-income housing loans particularly for home improvement purposes. An aging housing market and population combine to create a need for proper weatherization and general housing rehabilitation loans. The director also expressed the need for small business start-up loans. The director also indicated a need for bank representation on directorates of community development groups. Specifically mentioned was the active board level participation of a CNB representative.

Fair Lending Review

We found no evidence of illegal discrimination or other illegal credit practices.

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test is rated "Outstanding." Based upon full-scope reviews, the bank's performance in the Clearfield AA is good.

Lending Activity

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

CNB's lending performance demonstrates good responsiveness to community credit needs. Over the evaluation period in the AA, CNB originated 2,721 HMDA loans totaling \$136 million dollars and 2,346 small business loans totaling \$223 million.

As of December 31, 2002, CNB ranked 2nd for deposit share among depository institutions in its AA with a market share of 15.7%. The FDIC data used to develop market share does not include merger or acquisition activities since June 30, 1998.

CNB ranks as the AA's 2nd, 5th, and 6th most active home purchase, home improvement and home refinance lender, respectively. Specifically, CNB captured 11.4%, 11.3% and 9.8% of the AA market share for home purchase, home improvement and home refinance lending.

CNB ranks 5th among 73 business lenders in the AA and has a market share of 8.4%. The top five commercial lenders control over 50% of the market, which underscores the heightened competition for these loan products.

Distribution of Loans by Income Level of the Geography

Home Mortgage Loans

Refer to Tables 2, 3 and 4 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

CNB's geographic distribution of HMDA loans is excellent. HMDA lending to borrowers in moderate-income CTs greatly exceeds the percentage of owner occupied housing available in those tracts. Of all AA owner occupied housing, 13.3% is located in moderate-income CTs. Of home purchase, improvement and refinance loans originated by CNB over the evaluation period, 16.2%, 19.9% and 19.7% respectively were originated in the AA's moderate-income CTs. Additionally, for all HMDA loan categories, CNB's market share for moderate-income

CTs greatly exceeds CNB’s overall market share. The bank has achieved a significant level of mortgage lending in moderate-income geographies despite area demographics. For example of the AA population 18% lives below the poverty level, 10% and 35% derive income from public assistance and social security respectively and 21% are retired.

Small Loans to Businesses

Refer to Table 5 in appendix C for the facts and data used to evaluate the geographic distribution of the bank’s origination/purchase of small loans to businesses.

CNB’s geographic distribution of small business loans is excellent. CNB’s small business lending in moderate income CTs exceeds the percentage of small businesses in those tracts. Of all small businesses in the bank’s AA, 13.2% are located within the AA’s moderate-income geographies. Of all small business loans originated by CNB in its AA over the evaluation period, 14.2% were originated to small businesses located within moderate-income geographies. In addition, CNB’s commitment to small business lending is demonstrated by its small business loan market share in moderate-income CTs (14.4%) which greatly exceeds its small business market share overall (8.4%).

Lending Gap Analysis

There were no unexplained lending gaps in CNB’s lending patterns.

Inside/Outside Ratio

A substantial majority of HMDA and small business loans originated by CNB over the evaluation period were originated within the bank’s AA. Specifically, of HMDA loans originated by CNB between July 1, 1999 and December 31, 2002, 98% by volume and 97% by dollar were originated within the AA. Of small business loans originated by CNB over the period 96% by volume and 93% by dollar were originated within the AA.

The table below details CNB’s record of lending within its AA for specific mortgage loan types.

	<i>Percentage in the Assessment Area</i>	
	#	\$
Home Purchase	97%	96%
Home Improvement	98%	98%
Home Refinance	98%	98%

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

Refer to Tables 7, 8, and 9 in appendix C for the facts and data used to evaluate the borrower distribution of the bank’s home mortgage loan originations and purchases.

CNB's HMDA loan distribution to borrowers of moderate-income levels is good. CNB's level of home purchase lending equals and home improvement lending is near the AA's percentage of moderate-income families. Home refinance lending is below the AA's percentage of moderate-income families. For all HMDA loan categories CNB's record of lending to low-income borrowers is below the AA's percentage of low-income families. However, performance is good when considering that lending opportunities for low-income borrowers are limited by area demographics. For example of the AA population, 15% lives below the poverty level, 9% and 35% derive income from public assistance and social security respectively and over 20% are retired. A low-income individual earns less than \$20,468 annually.

Small Loans to Businesses

Refer to Table 10 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

CNB's loan distribution among businesses of different sizes is excellent. CNB's record of originating small business loans to small businesses exceeds the percentage of AA small businesses. Of all AA businesses, 71.3% reported annual revenue less than or equal to \$1 million and for purposes of this evaluation are considered to be small businesses. Of all small business loans the bank originated to AA businesses over the evaluation period, 73.8% were originated to small businesses. In addition, the bank makes a significant number of small dollar loans within the AA. During the review period, 75% of all small business loans originated by CNB were for dollar amounts less than \$100,000. Additionally, CNB's small business lending market share of 13.4% greatly exceeds its overall business loan market share of 8.4%.

Community Development Lending

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

CNB's record of community development lending is adequate. Community Development loans are defined as loans which are not reported as Small Business Loans and have as their primary purpose community development. CNB made one loan over the period for which community development was the primary purpose. The loan is an operating line of credit to a regional community action group. The loan benefits both revitalization and low- and moderate-income (LMI) housing programs.

The regional community action group's programs include:

- An energy assistance program designed to assist low-income households in minimizing energy needs through weatherization improvements;
- A housing assistance program designed to assist the homeless and near homeless meet temporary and permanent housing needs; and
- An employment and training program designed to assist low-income clients develop and refine skills and techniques for successfully seeking and completing educational and training programs.

Product Innovation and Flexibility

CNB has developed and or implemented programs that benefit LMI individuals or geographies in the AA. These products had a neutral impact on the lending test rating. Some of these programs include:

- A first time homebuyers program that provides flexible underwriting and financing options. The flexible lending program serves to address credit needs of low-and moderate-income individuals. Under this program, as of October 31, 2002, the bank has originated 475 loans with a dollar value of \$26 million. These loans are reported in the bank's total HMDA lending activity. HMDA lending activity over the evaluation period can be found in Appendix C.
- Participation in the Pittsburgh Home Loan Bank Home Buyers Equity Program. This program assists LMI borrowers with down payment and closing costs on home mortgages. Data reflecting the number and dollars and dollars of loans originated through this program was not available.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test is rated "Low Satisfactory." Based on full-scope reviews, the bank's performance in the Clearfield AA is adequate.

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

CNB's investment is not innovative and contains only minimal complexities. Since the 1999 CRA examination, the bank has invested \$500 thousand in an affordable housing bond. The \$100 million Pennsylvania Housing Finance Agency Single Family Mortgage Revenue Bond is backed by mortgages. The mortgages backing the bond contain flexible underwriting standards, serve LMI borrowers, and include an area that encompasses the bank's AA as well as the larger statewide area.

CNB also has a prior period investment of \$171,437 in an affordable housing bond purchased on February 1, 1998. This bond also targets LMI residential mortgage borrowers and encompasses the bank's AA in its larger statewide area.

CNB's management, and examiners concurred, that investment opportunities are limited within the bank's AA. The majority of local investments consist of municipal bonds. CNB's qualifying investment was obtained through requests to brokers to identify and inform the bank of any available qualifying investment opportunities.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated "Outstanding" based on full-scope reviews, the bank's performance in the Clearfield AA is excellent.

Retail Banking Services

Refer to Table 13 in appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

CNB's service and delivery systems are accessible to geographies and individuals of different income levels in the AA. Retail banking services offered are consistent throughout the AA. The bank has a network of 19 full-service branches and stand-alone drive through facility. Of these, five are located in moderate-income geographies, fourteen are located in middle-income geographies, and one is located in an upper- income geography. Of total CNB's branch offices, 25% are located in moderate-income CTs where 13.4% of the AA population resides. ATM's are located adjacent to sixteen branches. Of these two ATM's are located in moderate-income geographies, thirteen are located in middle-income geographies and one ATM is located in an upper-income geography.

The bank has closed no full service branches since the prior examination. The bank consolidated one deposit taking drive-up facility into a full-service branch office in the immediate vicinity. The drive-up facility was obtained as a result of a purchase of branch offices and was located approximately one block from one of two full service branches located in Philipsburg. Both the drive-up facility and the full service branch into which it was consolidated were located within a moderate-income CT. Therefore, retail services remain geographically accessible to individuals served by the drive-up facility.

Business hours are considered to be reasonable. All CNB branch offices offer extended hours at least one day each week. A portion of CNB branches, including those located in moderate-income areas, offer Saturday hours. CNB offers standard retail services including electronic and telephone banking, bank-by mail, direct deposit and a checkcard program. In addition, CNB offers alternative bank services including:

- A billpayer service that enables customers to pay bills through the bank's telephone service; and
- A service call program that provides customers with 24-hour access to banking services.

In evaluating the bank's services, no significant weight was given to these systems since the bank does not track how the services reach out to low-and moderate-income individuals.

Community Development Services

CNB is involved in a good level of AA community development services. The bank promotes

various community development services that are designed to enhance opportunities for LMI individuals and/or geographies. A number of senior managers and bank staff are actively involved in the most visible economic assistance organization operating in the area, The Central Pennsylvania Community Action, Inc. CNB's service contributions include substantial time commitments and a variety of financial management services. Listed below are some of the activities in which bank representatives are involved.

- A member of senior management serves on the Board of Directors of the Central Pennsylvania Community Action, Inc. (CPCA). CPCA is an organization, which services Clearfield and Centre counties in identifying, assembling, and implementing programs that provide housing and employment services to LMI residents.
- A member of senior management serves as Vice President of the Clearfield County Economic Development Corporation. This organization was formed to bring economic development to Clearfield County.
- A member of senior management serves as Assistant Treasurer for the Moshannon Valley Economic Development Partnership (MVEDP). This organization serves to promote job creation for LMI individuals and economic development through small business financing in the Moshannon Valley. The Moshannon Valley includes western Centre County and 21 municipalities in eastern Clearfield County. The MVEDP works with the Pennsylvania Industrial Development Authority to obtain matching grants and offer assistance in business retention.
- A member of senior management serves on the Board and Loan Review Committee of the North Central Pennsylvania Regional Planning and Development Commission (NCPRPDC). The NCPRPDC serves as the administrative entity for the Small Business First Fund, the Appalachian Regional Commission, the US Economic Development Administration, and the Rural Business Cooperative Development Service. Through these programs financing is made available to small or emerging businesses when conventional sources are insufficient to meet their needs. This organization promotes infrastructure, job training, economic and workforce development.

Appendix A: Scope of Examination

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

Time Period Reviewed	Lending Test (excludes CD Loans) 07/01/99 to 12/31/02 Investment, Service Tests and CD Loans 12/29/1999 to 2/03/03	
Financial Institution	Products Reviewed	
County National Bank Clearfield, PA	HMDA loans, small business loans, community development loans, investment, services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
NA		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Single AA – Predominately non-MSA Clearfield, Cameron, and McKean Counties Portions of Elk, Jefferson, Centre, Cambria, and Indiana Counties *Three CTs in the State College MSA (Centre County) * Five CTs in the Johnstown MSA (Cambria County)	Full-Scope	

Appendix B: Market Profiles for Full-Scope Areas

Table of Contents

Market Profiles for Areas Receiving Full-Scope Reviews

Clearfield AA.....B-1

Clearfield AA

Demographic Information for Full-Scope Area: Clearfield AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	64	NA	17%	81%	2%	NA
Population by Geography	249,478	NA	13%	85%	2%	NA
Owner-Occupied Housing by Geography	73,328	NA	13%	85%	2%	NA
Businesses by Geography	14,010	NA	13%	86%	1%	NA
Farms by Geography	NA	NA	NA	NA	NA	NA
Family Distribution by Income Level	69,166	21%	21%	25%	34%	NA
Distribution of Low- and Moderate-Income Families throughout AA Geographies	28,932	NA	17%	82%	1%	NA
Median Family Income	= \$28,968	Median Housing Value Unemployment Rate		= \$40.480 = %4.12		
HUD Adjusted Median Family Income for 2002	= \$40,938					
Households Below the Poverty Level	=14.74					

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 U.S. Census, and 2002 HUD updated MFI.

CNB’s single AA includes all of Clearfield, Cameron, and McKean Counties and portions of Elk, Jefferson, Centre, Cambria, and Indiana Counties. CNB’s main office is located in the town of Clearfield, Pennsylvania. Clearfield is the county seat of Clearfield County. The AA includes three census tracts (CTs) in the State College MSA and five census tracts in the Johnstown MSA. These MSA census tracts are contiguous to the bank’s non-MSA CTs and are near CNB branches. It is reasonable that the bank includes MSA CTs within its AA. The MSA CTs constitute only small portions of the MSAs in which they are located.

CNB’s AA is located in rural north central Pennsylvania. Since the downturn experienced by the steel and coal industries, which historically served as primary local industries, the area has struggled with general economic adversity. The local unemployment rate consistently exceeds state and national unemployment rates. The population is aging as the area has experienced erosion in its population of 18 to 40 year old residents.

Area employment is derived from government, service, retail trade, manufacturing. Major area employers operate within the medical, light manufacturing, and service industries. Specifically AA employers include powdered metal, woodworking and dye facilities.

Competition is strong and arises primarily from several large regional financial institutions, some of which have been established in the area for many years. Additionally, the bank competes with branch facilities of several larger multi-state financial institutions and both national and local mortgage companies. CNB ranks 5th among 73 business lenders in the AA and 4th among 209 HMDA lenders in the AA. Area opportunities for CD loans, investments and services are limited.

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the bank's include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: purchased loans are treated as originations/purchases; market rank is based on the number of loans originated and purchased by the bank as compared to all other lenders in the MSA/assessment area; and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MSA/assessment area.

The following is a listing and brief description of the tables:

Table 1. Lending Volume - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MSA/assessment area.

Table 2. Geographic Distribution of Home Purchase Loans - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.

Table 3. Geographic Distribution of Home Improvement Loans - See Table 2.

Table 4. Geographic Distribution of Refinance Loans - See Table 2.

Table 5. Geographic Distribution of Small Loans to Businesses - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.

Table 6. Geographic Distribution of Small Loans to Farms - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.

- Table 7. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle- and upper-income borrowers to the percentage distribution of families by income level in each MSA/assessment area. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 8. Borrower Distribution of Home Improvement Loans** - See Table 7.
- Table 9. Borrower Distribution of Refinance Loans** - See Table 7.
- Table 10. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. The table also compares the banks percentage distribution with the percentage of loans originated and purchased by all other small business reporters in the banks assessment area to businesses with revenues of \$1 million or less and is based on the most recent aggregate market data available. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 11. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. The table also compares the banks percentage distribution with the percentage of loans originated and purchased by all other small farm reporters in the banks assessment area to farms with revenues of \$1 million or less and is based on the most recent aggregate market data available. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

Table 12. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MSA/assessment area. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must have been reported on schedule RC-L of the Call Reports as an off-balance sheet item.

Table 13. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle- and upper-income geographies to the percentage of the population within each geography in each MSA/assessment area. The table also presents data on branch openings and closings in each MSA/assessment area.

Table 14. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL) - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies to the percentage distribution of the population within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle- and upper-income borrowers to the percentage of households by income level in each MSA/assessment area.

Table 1. Lending Volume

LENDING VOLUME													State: Pennsylvania		Evaluation Period: July 1, 1999 to December 31, 2002	
MSA/Assessment Area:	% of Rated Area Deposits in MSA/assessment area*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development		Total Reported Loans		% of Rated Area Loans(#) in MSA/assessment area				
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)					
Full-Scope:																
Clearfield AA	100	2,721	135,848	2,346	223,479	14	301	1	250	5,082	359,878	100				

*Deposit data as of June 30, 2002.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE																	State: Pennsylvania		Evaluation Period: July 1, 1999 to December 31, 2002	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Purchase Loans					
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**				
Full-Scope:																				
Clearfield AA	N/A	N/A	13.30	16.15	85.10	82.78	1.60	1.07	2	11.40	N/A	13.09	11.99	0.00	749	100				

(*) Based on 2001 Aggregate HMDA Data only. Market rank is for all income categories combined.

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

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT																State: Pennsylvania		Evaluation Period: July 1, 1999 to December 31, 2002	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans				
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**			
Full-Scope:																			
Clearfield AA	N/A	N/A	13.30	19.89	85.10	78.57	1.60	1.54	5	11.31	N/A	17.17	10.46	11.54	714	100			

(*) Based on 2001 Aggregate HMDA Data only. Market rank is for all income categories combined.

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

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE																State: Pennsylvania		Evaluation Period: July 1, 1999 to December 31, 2002	
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans				
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**			
Full-Scope:																			
Clearfield AA	N/A	N/A	13.30	19.71	85.10	79.57	1.60	.72	6	9.8	N/A		15.53	2.88	1,258	100			

(*) Based on 2001 Aggregate HMDA Data only. Market rank is for all income categories combined.

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

Table 5. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES																
State Pennsylvania										Evaluation Period: July 1,1999 to December 31, 2002						
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Small Business Loans	
	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Full-Scope:																
Clearfield AA	N/A	N/A	13.16	14.15	86.10	83.55	.74	2.30	5	8.41	N/A	14.43	10.84	.96	2,346	100

(*) Based on 2001 Aggregate Small Business Data only. Market rank is for all income categories combined.

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

Table 7. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE																
State: Pennsylvania										Evaluation Period: July 1,1999 to December 31, 2002						
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Purchase Loans	
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***
Full-Scope:																
Clearfield AA	21.10	4.08	20.73	20.68	24.63	27.48	33.54	47.76	2	12.76	9.43	8.88	12.42	15.71	749	100

(*) As a percentage of loans with borrower income information available.

(**) Based on 2001 Aggregate HMDA Data only. Market rank is for all income categories combined.

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

Table 8. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT																	State: Pennsylvania		Evaluation Period: July 1,1999 to December 31, 2002				
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Improvement Loans								
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***							
Full-Scope:																							
Clearfield AA	21.10	8.78	20.73	19.14	24.63	25.76	33.54	46.33	5	11.31	13.17	8.19	8.86	14.31	714	100							

(*) As a percentage of loans with borrower income information available.

(**) Based on 2001 Aggregate HMDA Data only. Market rank is for all income categories combined.

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

Table 9. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE																	State: Pennsylvania		Evaluation Period: July 1,1999 to December 31, 2002				
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Mortgage Refinance Loans								
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***							
Full-Scope:																							
Clearfield AA	21.10	4.25	20.73	15.20	24.63	32.27	33.54	48.28	5	10.98	4.47	7.28	11.63	12.85	1,258	100							

(*) As a percentage of loans with borrower income information available.

(**) Based on 2001 Aggregate HMDA Data only. Market rank is for all income categories combined.

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

Table 10. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES										
State: Pennsylvania			Evaluation Period: July 1, 1999 to December 31, 2002							
MSA/Assessment Area:	Businesses with Revenues of \$1 million or less			Loans by Original Amount Regardless of Business Size			Market Share****		Total Small Loans to Businesses	
	% of Businesses*	% BANK Loans**	% Market Loans***	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total*****
Full-Scope:										
Clearfield AA	71.26	73.74	17	75.15	15.86	8.99	8.41	13.40	2,346	100

- (*) Businesses with revenues of \$1 million or less as a percentage of all businesses.
- (**) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses.
- (***) The market consists of all other Small Business reporters in the MSA/assessment area and is based on 1998 Aggregate Small Business Data only.
- (****) Based on 2001 Aggregate Small Business Data only.
- (*****) Small loans to businesses originated and purchased in the MSA/assessment area as a percentage of all small loans to businesses originated and purchased in the rated area.

Table 12. Qualified Investments

QUALIFIED INVESTMENTS										
State: Pennsylvania			Evaluation Period: December 29, 1999 to February 3, 2003							
MSA/Assessment Areas:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**		
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total	#	\$ (000's)	
Full-Scope:										
Clearfield AA	Statewide/Regional	1	171	1	500	2	671	100	0	0

- (*) "Prior Period Investment" means investments made in a previous evaluation period that are outstanding as of the examination date.
- (**) "Unfunded Commitment" means legally binding investment commitments reported on the Report of Condition Schedule-"Off Balance Sheet Items."

Table 13. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS				State: Pennsylvania				Evaluation Period: December 29, 1999 to February 3, 2003									
MSA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in MSA/assessment area	# of BANK Branches	% of Rated Area Branches in MSA/assessment area	Location of Branches by Income of Geographies				# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)				% of the Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full-Scope:																	
Clearfield AA	100	20	100	N/A	25.00	70.00	5.00	0	0	0	0	0	0	N/A	13.40	85.07	1.53

