

# **PUBLIC DISCLOSURE**

February 21, 2012

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

The Apollo Trust Company  
368522

201 North Warren Ave.  
Apollo, PA 15613

Federal Reserve Bank of Cleveland  
Cleveland, Ohio

**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, 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 financial supervisory agency concerning the safety and soundness of this financial institution.

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**INSTITUTION'S CRA RATING: Satisfactory**

The following factors support the institution's rating.

- The loan-to-deposit ratio is less than reasonable given the bank's size, financial condition, and assessment area credit needs;
- There are a majority of loans made in the assessment area;
- The geographic distribution of loans reflects an excellent dispersion throughout the assessment area;
- The distribution of loans to borrowers reflects a reasonable penetration among individuals of different income levels (including low- and moderate- income); and,
- There were no CRA-related complaints filed against the bank since the previous CRA examination.

The previous CRA examination conducted December 3, 2007 resulted in a rating of "Satisfactory."

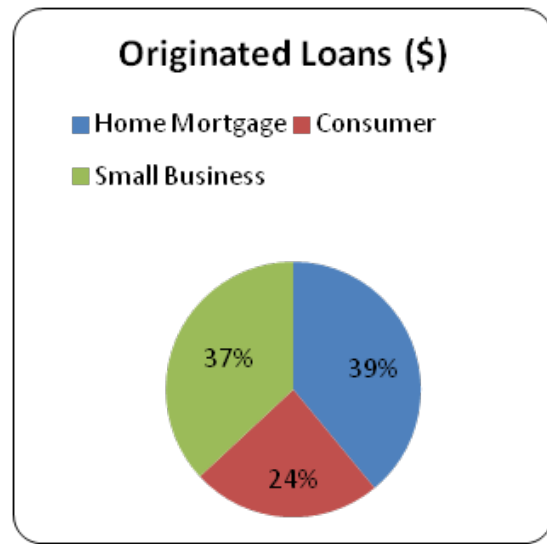
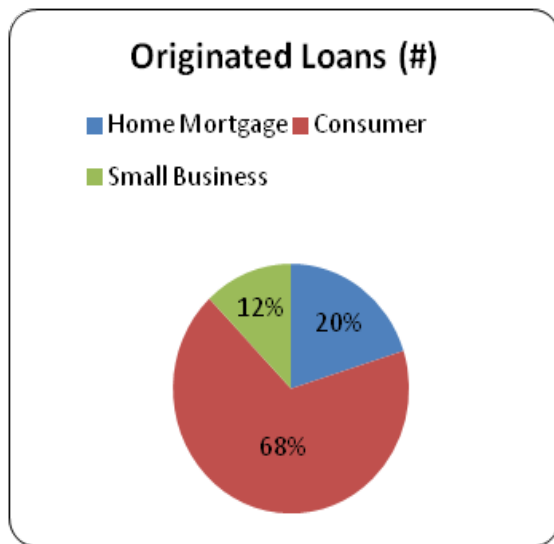
### SCOPE OF EXAMINATION

The Apollo Trust Company was evaluated using the interagency small bank procedures. The bank’s CRA performance included lending data from January 1, 2010 through September 30, 2011.

The loan products evaluated included home mortgage loans, consumer loans and small business loans. Home mortgage loans consisted of home purchase loans, refinance loans, multifamily housing loans, and home improvement loans. Consumer loans consisted of motor vehicle loans, personal secured loans, and personal unsecured loans.

The following table and charts illustrate the volume and distribution of loans originated during the evaluation period:

Number of Loans	Loan Type	Dollar Amount of Loans (000's)
89	Home Mortgage Loans	11,050
299	Consumer Loans	6,824
54	Small Business Loans	10,456



Given this distribution, mortgage loans and consumer loans were given primary and equal weight. Although there were more consumer loans than home mortgage loans, the dollar amount of consumer loans is significantly less than that of mortgage loans. Small business loans were considered in assessing the bank’s overall CRA performance. However, since there were few small business loans originated in the assessment area, they are not discussed in the geographic distribution and borrower distribution analyses.

The bank's assessment area is primarily comprised of middle-income census tracts. It includes no low-income census tracts and only two moderate-income census tracts; therefore, the borrower distribution analysis received greater weight than the geographic distribution analysis.

The size and financial condition of the institution, lending opportunities within the assessment area, and competition with other institutions were also considered in the bank's performance context.

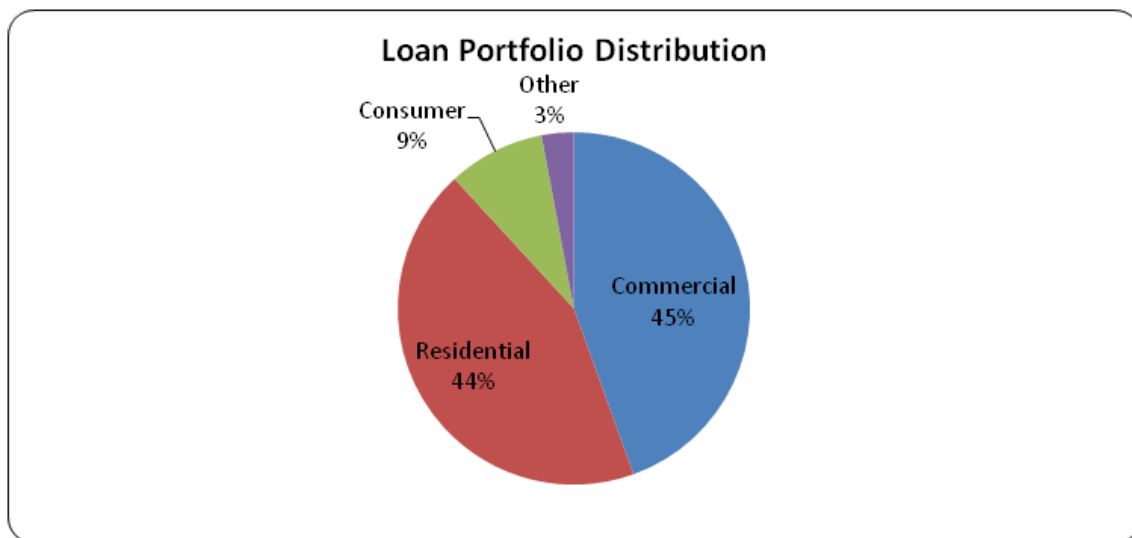
### DESCRIPTION OF INSTITUTION

The Apollo Trust Company (Apollo) is a state-member bank headquartered in Apollo, Pennsylvania. Apollo is the sole banking subsidiary of Apollo Bancorp, Inc., a non-complex holding company. As of December 31, 2011, Apollo reported \$145 million in total assets, which is approximately a 34% increase since the previous examination.

The bank's main office is located at 201 North Warren Avenue in Apollo, Pennsylvania and has a full-service automated teller machine (ATM). Apollo operates four branch offices with full-service ATMs and one cash-only ATM. The main office, two branch locations, and cash-only ATM are located in Armstrong County, Pennsylvania. The remaining two branch locations are in Westmoreland County, Pennsylvania. Apollo has not opened or closed any branch offices since the previous examination.

Apollo is a full-service, retail community bank offering business and consumer deposit accounts and commercial, residential mortgage, and consumer loans. According to the December 31, 2011 Uniform Bank Performance Report (UBPR), loans comprise approximately 31% of the bank's total assets, which represents an 8.0% decline since the previous examination. The following table illustrates the bank's loan portfolio composition as of December 31, 2011:

Loan Type	Percent of Total Loans
Commercial/Industrial & Non-Farm Non-Residential Real Estate	44.50%
Secured by 1-4 Family Residential Real Estate	43.66%
Consumer Loans	8.89%
All Other Loans	2.95%
Total (gross)	100.0%



As of December 31, 2011, Apollo's investment portfolio was approximately \$94.4 million, which represents 65.0% of total assets. U.S. Treasuries and Agency securities and municipal securities comprise 61.0% and 33.0% of the investment portfolio respectively while interest-bearing banking balances account for 2.0% of the portfolio. The remaining investments are other securities.

There are no legal or financial constraints preventing Apollo from meeting the credit needs of its' assessment area consistent with its asset size, business strategy, resources and local economy.

### DESCRIPTION OF ASSESSMENT AREA

For the purposes of CRA, Apollo has delineated one region within the Commonwealth of Pennsylvania as its assessment area. The assessment area is comprised of the southern portion of Armstrong County and the northern portion of Westmoreland County. Both counties are part of the Pittsburgh Metropolitan Statistical Area (MSA). Tracts excluded from the bank's assessment area are the furthest from any branch locations and have little or no lending activity. There have been no changes to Apollo's assessment area since the previous CRA examination.

In total, the bank's assessment area is made up of 17 census tracts, of which two are moderate-income, and 15 are middle-income. There are no low-income or upper-income tracts within the assessment area. The main office, one branch location, and cash-only ATM are located in moderate-income tracts, while the remaining three branch locations are in middle-income tracts. The table below illustrates the census tracts by income level and county.

Tracts by Income	Armstrong	Westmoreland	Percentage of Total
Low	0	0	0%
Moderate	1	1	12%
Middle	4	11	88%
Upper	0	0	0%
<b>Total</b>	<b>5</b>	<b>12</b>	<b>100%</b>

There is significant banking competition within Apollo's assessment area. As of June 30, 2011, the Federal Deposit Insurance Corporation (FDIC) reported 29 insured financial institutions, operating 170 branches, within Armstrong and Westmoreland counties. The FDIC's market share report indicates that Apollo ranked 14th, holding 1.49% of the market share of deposits.<sup>1</sup> The following table illustrates the deposit market share for the top 15 financial institutions in the two counties.

#	Financial Institution	Deposit Market Share
1	PNC Bank NA	23.67%
2	First Commonwealth Bank	13.20%
3	Citizens Bank of PA	10.76%
4	S&T Bank	10.06%
5	First NB of Pennsylvania	7.80%
6	First Niagara Bank NA	4.91%
7	Farmers & Merchants Bank of Western PA NA	4.44%
8	Commercial Bank & Trust of PA	3.73%
9	Dollar Bank FSB	2.78%
10	Standard Bank PASB	2.59%
11	Elderton State Bank	2.08%
12	Parkvale State Bank	1.72%
13	Westmoreland FS & LA	1.70%
14	Apollo Trust Company	1.49%
15	Scottdale Bank and Trust Company	1.30%

<sup>1</sup> <http://www2.fdic.gov/sod/sodMarketBank.asp>



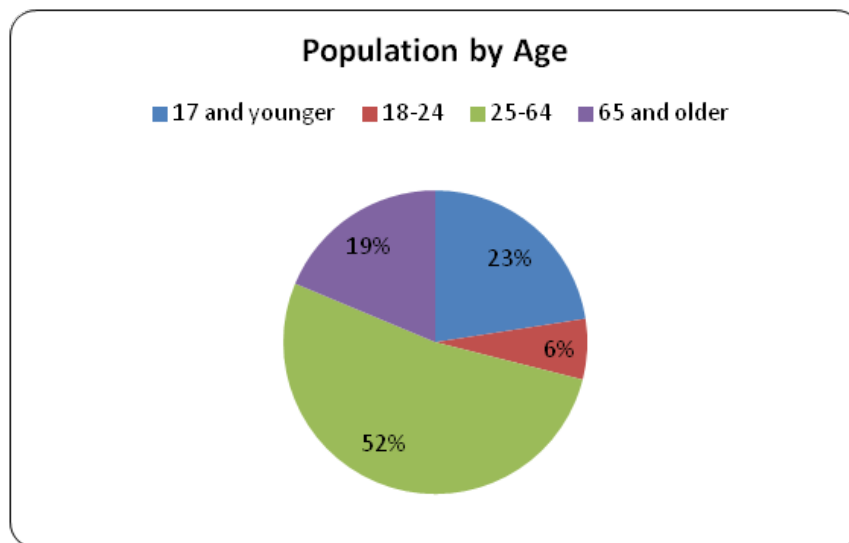
## Population

The 2000 data released by the U.S. Census Bureau indicates the population in the bank's assessment area is 60,596.

According to 2000 U.S. Census data, the populations of Armstrong and Westmoreland Counties were 72,392 and 369,993 respectively. The following table depicts the populations and population changes in the counties within the bank's assessment area:<sup>2</sup>

County	2000 Population	2010 Population	Population Percent Change
Armstrong	72,392	68,941	-4.8%
Westmoreland	369,993	365,169	-1.3%

These estimations show that both Armstrong and Westmoreland counties have experienced a population decline over the past 10 years. The population by age is distributed as follows:



Approximately 23% of the population is under 18, the legal age to enter into a contract, while approximately 58% of the population is between the ages of 18 and 64, the prime ages when individuals are generally in need of loans.

<sup>2</sup> <http://quickfacts.census.gov/qfd/index.html>

## **Income Characteristics**

According to the 2000 U.S. Census, there were 24,435 household within the assessment area, of which 17,843 (73.0%) were families. Of these families, 20.5% were low-income, 20.4% were moderate-income, 23.8% were middle-income, and 35.4% were upper-income. Approximately 7.5% of the assessment area population was below the poverty level, which is slightly lower than the Commonwealth of Pennsylvania at 7.76%.

The median family income for the assessment area of \$44,085 is lower than the median family incomes for both the Pittsburgh MSA (\$47,195) and Commonwealth of Pennsylvania (\$49,184). According to the Department of Housing and Urban Development (HUD) for 2011, the median family income for Armstrong County had increased to \$53,100, while the median family income for Westmoreland County had increased to \$64,000. These figures are lower than the estimated median family income for the Commonwealth of Pennsylvania at \$65,700.

In the assessment area, 7.5% of families were below the poverty level. This percentage is slightly lower than the Commonwealth of Pennsylvania at 7.80%. The poverty levels between the two counties represented in the assessment area differed significantly. In Armstrong County, 9.3% of families were below poverty compared to 6.2% in Westmoreland County. Poverty level estimates for 2010 indicate that the family poverty levels in Armstrong and Westmoreland Counties have increased to 13.7% and 10.4%, respectively, while statewide family poverty levels have increased to 13.4%.<sup>3</sup>

## **Labor, Employment, and Economics**

The primary employers for Armstrong County are the Armstrong County Memorial Hospital, Armstrong School District, Rosebud Mining Company, state and local government, and Wal-Mart Stores Inc. The major employers in Westmoreland County are Excelsa Health, First Energy, Supervalu Inc., and Wal-Mart Stores Inc.

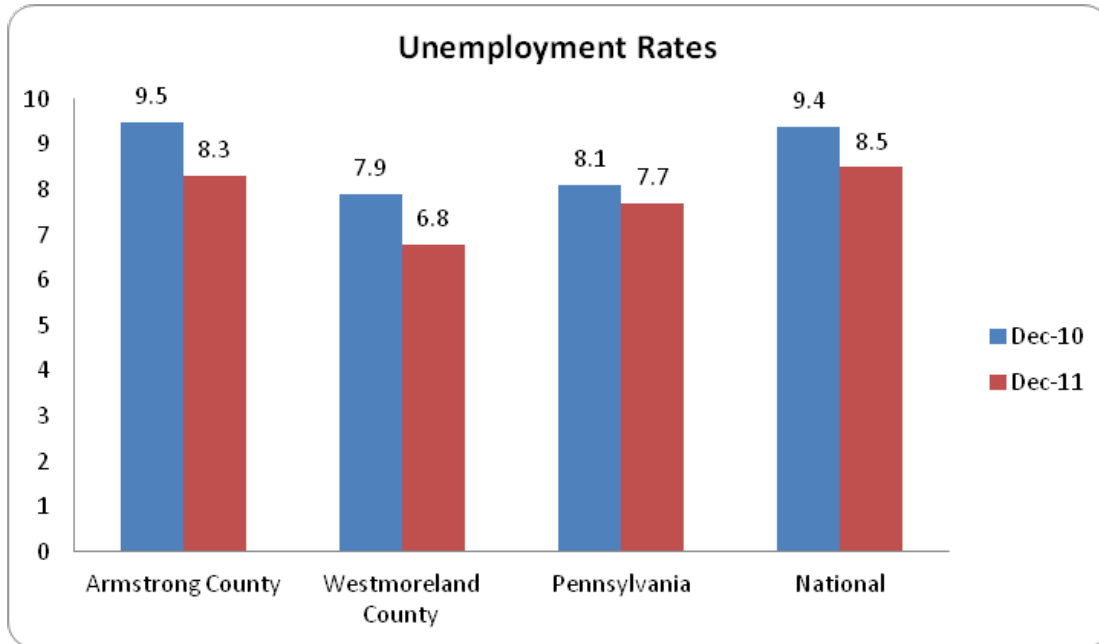
According to 2010 Dun & Bradstreet data, the assessment area had 2,251 small businesses and small farms. The top five businesses include: retail trade; construction; waste and removal services; professional, scientific, and technical services; and other services. The majority of businesses (90.0%) have annual revenues of less than \$1 million. Most businesses (65.0%) have been in business for more than ten years, with 24.5% of those businesses open more than 25 years.

The following chart shows unemployment rates (not seasonally adjusted) for December 2010 and 2011 for Armstrong and Westmoreland Counties, compared to the Commonwealth of Pennsylvania and national averages.<sup>4</sup>

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3 <http://www.ers.usda.gov/data/povertyrates/>

4 <http://www.bls.gov/home.htm>



The chart shows that the unemployment rates for Armstrong County have been consistent with the national averages and slightly above state averages. Westmoreland County, on the other hand, has had unemployment rates below the state and national averages.

### **Housing**

Based on data from the 2000 U.S. Census Bureau report, Apollo’s assessment area contains 26,110 housing units, of which 75.6% are owner-occupied, 17.8% are rental units, and 6.5% are vacant. 80.5% of the housing units are comprised of single family units, while 5.7% are two-to-four family units, 4.6% are multi-family units, and 9.2% are mobile homes. Approximately 89.0% of the total housing units in the assessment area are in middle-income census tracts, with the remaining 11.0% in moderate-income tracts.

The median age of the housing stock within the assessment area is 44 years. The age of housing stock varies significantly by tract income level, with a median age of 61 in the moderate-income tracts and a median age of 42 in the middle income tracts.

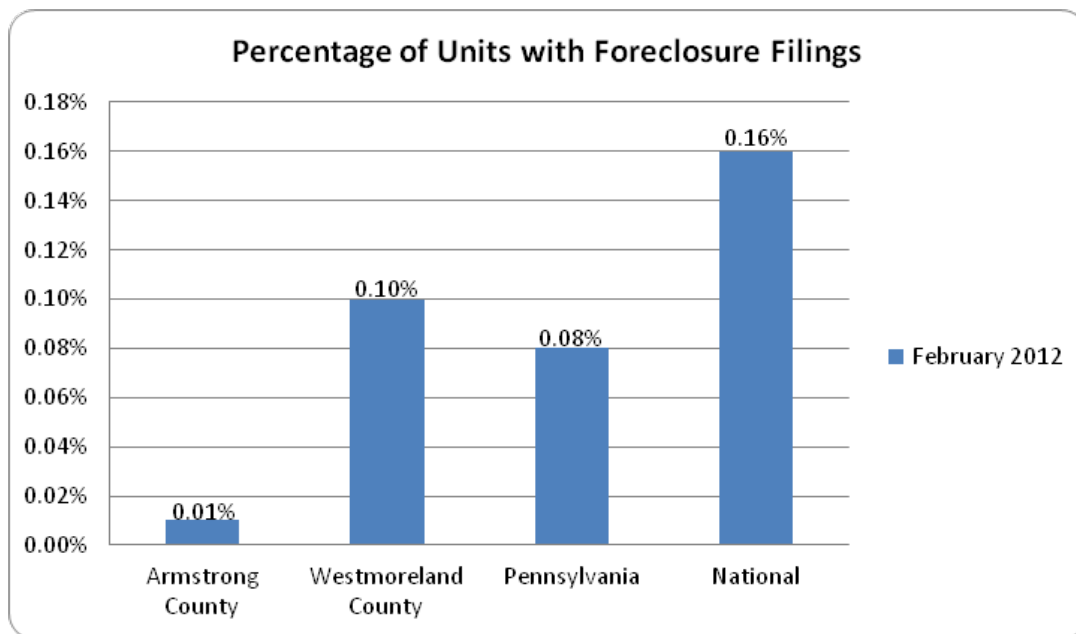
According to one community contact, the advancing age of the area’s housing stock has weakened the demand for home purchasing. They also indicated that it has led to an increased need of loans for the rehabilitation and maintenance of existing structures.

The median housing value in the assessment area is \$80,963. However, the median housing values differed considerably between the two counties represented in the assessment area. Armstrong County’s median housing value of \$63,800 was much lower than that of Westmoreland County at \$87,600. Overall, 33.2% of the owner-occupied units within the assessment area were valued at \$100,000 or more, with 13.3% valued at \$150,000 or more.

Based on the estimated 2010 median family income for Armstrong County (\$53,100), about 67.6% of the homes in the assessment area valued up to \$101,879 would be considered affordable for low-income individuals and 88.4% of the homes valued up to \$163,007 would be considered affordable for moderate-income. These percentages were calculated assuming an average mortgage payment equal to 28.0% of gross income for a 3.625% fixed-rate, 30-year loan.

The median gross rent for the assessment area is \$424. For Armstrong and Westmoreland Counties, the median gross rents are \$395 and \$432, respectively. These figures are lower than the median gross rents for the larger Pittsburgh MSA (\$479) and the Commonwealth of Pennsylvania (\$531).

According to Realtytrac, an online database that tracks and provides foreclosure statistics, Armstrong County reported new foreclosure filings on one in every 8,130 housing units of February 2012. During the same month, Westmoreland County reported new foreclosure filings on one in every 1,032 housing units.<sup>5</sup> The following chart illustrates the foreclosure filing rates for Armstrong and Westmoreland counties as compared to the state and national rates for February 2012.



The chart above shows that Armstrong County’s foreclosure rate for February 2012 was below state and national rates. Westmoreland County’s foreclosure rate was higher than the state rate, but below national foreclosure rates.

<sup>5</sup> www.realtytrac.com

### **Community Contacts**

Two community contact interviews were conducted in conjunction with this examination. Both interviews were conducted with affordable housing organizations from Armstrong and Westmoreland counties.

The following table depicts the demographic characteristics of Apollo's assessment area:

### Combined Demographics Report

Assessment Area(s): Pittsburgh 2011

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	3,581	20.5
Moderate-income	2	11.8	1,634	9.3	198	12.1	3,563	20.4
Middle-income	15	88.2	15,849	90.7	1,109	7.0	4,159	23.8
Upper-income	0	0.0	0	0.0	0	0.0	6,180	35.3
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>17</b>	<b>100.0</b>	<b>17,483</b>	<b>100.0</b>	<b>1,307</b>	<b>7.5</b>	<b>17,483</b>	<b>100.0</b>
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	2,866	1,728	8.7	60.3	830	29.0	308	10.7
Middle-income	23,244	18,028	91.3	77.6	3,825	16.5	1,391	6.0
Upper-income	0	0	0.0	0.0	0	0.0	0	0.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>26,110</b>	<b>19,756</b>	<b>100.0</b>	<b>75.7</b>	<b>4,655</b>	<b>17.8</b>	<b>1,699</b>	<b>6.5</b>
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	179	7.6	162	7.6	9	7.8	8	6.3
Middle-income	2,184	92.4	1,959	92.4	106	92.2	119	93.7
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>2,363</b>	<b>100.0</b>	<b>2,121</b>	<b>100.0</b>	<b>115</b>	<b>100.0</b>	<b>127</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>			<b>89.8</b>		<b>4.9</b>		<b>5.4</b>	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	1	1.9	1	1.9	0	0.0	0	0.0
Middle-income	53	98.1	53	98.1	0	0.0	0	0.0
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>54</b>	<b>100.0</b>	<b>54</b>	<b>100.0</b>	<b>0</b>	<b>.0</b>	<b>0</b>	<b>.0</b>
<b>Percentage of Total Farms:</b>			<b>100.0</b>		<b>.0</b>		<b>.0</b>	

Based on 2010 D&B information according to 2000 Census Boundaries.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

### Loan-to-Deposit Ratio

The following table shows Apollo's quarterly loan-to-deposit (LTD) ratios for the seventeen quarters since the previous evaluation, along with the average LTD ratio for the same period. The table includes the national peer group ratio and two local institutions. The custom peer group is the combined totals of the two local peer institutions.

Apollo Trust Company Quarterly Loan-to-Deposit Ratios					
As of Date	Bank Ratio	Peer Ratio <sup>6</sup>	Elderton <sup>7</sup>	Scottsdale <sup>8</sup>	Custom Peer
December 31, 2011	36.85	73.98	90.62	36.27	63.45
September 30, 2011	36.18	74.39	89.55	34.11	61.83
June 30, 2011	34.10	74.93	85.14	33.16	59.15
March 31, 2011	31.88	74.83	68.83	34.29	51.56
December 31, 2010	31.90	76.70	68.66	35.92	52.29
September 30, 2010	38.11	77.80	81.93	35.81	58.87
June 30, 2010	40.55	78.78	82.64	37.76	60.20
March 31, 2010	40.94	79.29	89.04	39.75	64.40
December 31, 2009	40.30	81.11	95.33	41.21	68.27
September 30, 2009	37.34	82.62	92.82	42.43	67.63
June 30, 2009	33.64	83.73	92.19	44.25	68.22
March 31, 2009	36.20	84.24	94.83	44.28	69.56
December 31, 2008	37.75	86.90	90.04	43.70	66.87
September 30, 2008	37.88	87.33	88.68	43.08	65.88
June 30, 2008	39.45	86.81	90.07	44.95	67.51
March 31, 2008	41.88	85.25	90.05	48.82	69.44
December 31, 2007	44.94	85.46	90.04	50.24	70.14
<b>Quarterly Loan-to-Deposit Ratio Average since the previous examination</b>	<b>37.64</b>	<b>80.83</b>	<b>87.09</b>	<b>40.59</b>	<b>63.84</b>

The bank has averaged a 37.64% LTD ratio over the past 17 quarters. In general, the bank's ratios have declined during the evaluation period. A similar trend occurred in the bank's national peer group and one of the bank's custom peers, Scottsdale Bank and Trust Company.

<sup>6</sup> Apollo's national peer group consists of all insured commercial banks having assets between \$100 and \$300 million, with three or more full service banking offices and located in a metropolitan statistical area. The banks in the custom peer group were chosen based on asset size as well as the number and location of full service banking offices. Scottsdale Bank and Trust Company is a part of Apollo's national peer group; Elderton State Bank, however, is not.

<sup>7</sup> Elderton State Bank, Elderton, PA. Elderton's national peer group consists of all commercial banks having assets between \$100 and \$300 million, with two or fewer full-service banking offices and located in a metropolitan statistical area.

<sup>8</sup> Scottsdale Bank and Trust Co., Scottsdale, PA

Apollo's ratio is substantially below the national peer group average LTD ratio of 80.83% and the custom peer group's average LTD ratio of 63.84%. There are several factors that can contribute to a low LTD ratio. Declining values in the real estate market make home purchasing less attractive as a personal investment. Existing homeowners who have experienced a decline in the value of their homes may have difficulty refinancing their existing mortgage loan or obtaining a home improvement loan. Also, job losses across multiple sectors and higher unemployment rates weaken the demand for both mortgage and consumer loans.

Furthermore, the economic conditions during the recession have adversely affected businesses, particularly small businesses. These conditions have led to decreased revenues making business-owners reluctant to borrow.

Despite these challenges, some factors indicate that Apollo should be in a position to originate more loans. Specifically, the unemployment rates within the bank's assessment area are not significantly higher than the state and national averages. Armstrong County's unemployment rate has been slightly higher than the state average and consistent with national averages while Westmoreland County's unemployment rate has remained below the state and national averages. In addition, community contacts have indicated that the economy in the area has remained relatively stable during the economic recession. Given these factors, Apollo's loan-to-deposit ratio is less than reasonable.

**Lending in the Assessment Area**

The table below depicts Apollo's volume of loans extended inside and outside of the bank's assessment area during the evaluation period.

Loan Type	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Total Consumer Loans	229	76.6	4,549	66.7	70	23.4	2,275	33.3
Total Small Business	15	27.8	855	8.2	39	72.2	9,602	91.8
Home Purchase	15	50.0	1,891	51.0	15	50.0	1,816	49.0
Home Refinance	25	64.1	1,711	43.4	14	35.9	2,235	56.6
Home Improvement	13	86.7	613	71.7	2	13.3	242	28.3
Multi-Family	0	0	0	0	5	100	2,542	100
Total HMDA Loans	<b>53</b>	<b>59.6</b>	<b>4,215</b>	<b>38.1</b>	<b>36</b>	<b>40.4</b>	<b>6,835</b>	<b>61.9</b>
<b>TOTAL LOANS</b>	<b>297</b>	<b>67.2</b>	<b>9,619</b>	<b>34.0</b>	<b>145</b>	<b>32.8</b>	<b>18,711</b>	<b>66.0</b>

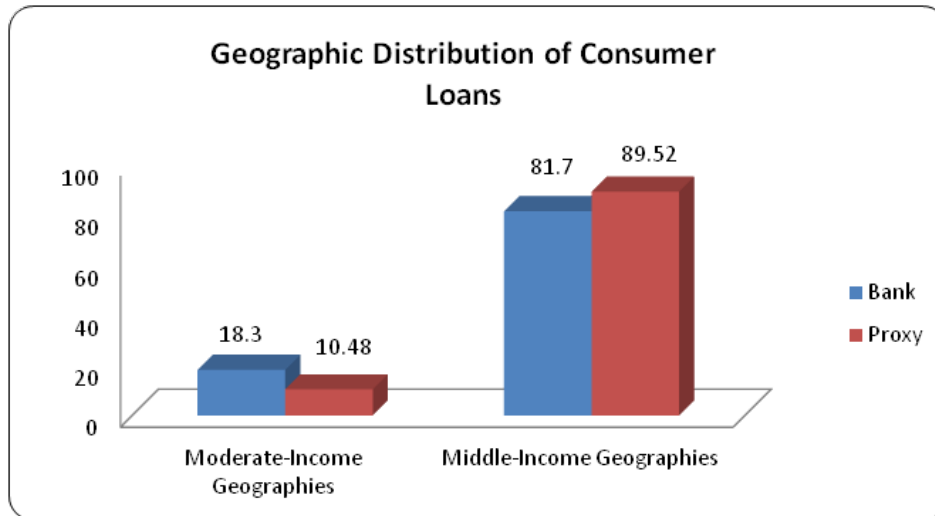
The table illustrates that a majority of the bank's loans, by number, were made inside of its assessment area. However, the majority of the bank's loan dollars were extended outside of the assessment area. The bank's lending outside of the assessment area is concentrated in tracts and counties adjacent to the assessment area. There are a number of factors that could cause this discrepancy. Specifically, the median housing value of homes in the bank's assessment area is lower than those of Westmoreland County, the larger Pittsburgh MSA, and the Commonwealth of Pennsylvania. In addition, the median family income for the assessment area is lower than that of Westmoreland County, the Pittsburgh MSA, and the Commonwealth of Pennsylvania.



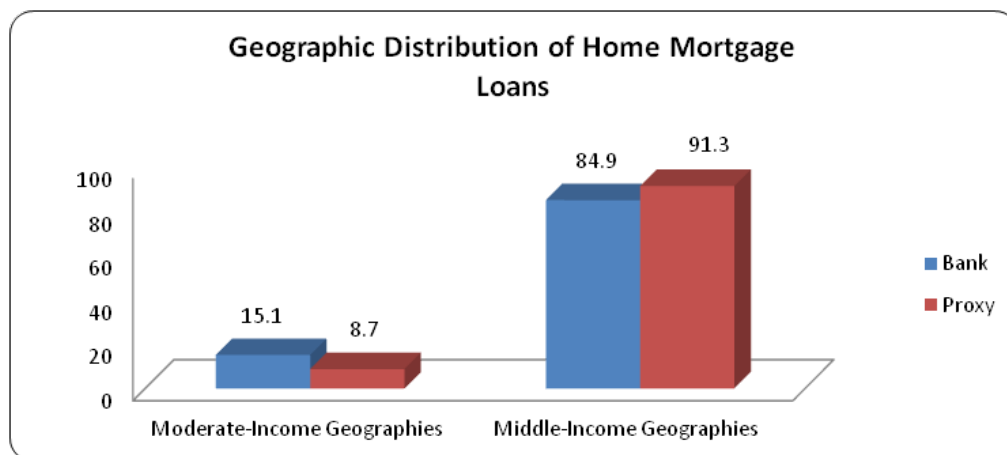
As a result, it is reasonable that the dollar amount of loans made within the assessment area would be smaller than loans made outside the assessment area.

### Geographic Distribution of Lending

The charts that follow illustrate the percentage of consumer and home mortgage loans originated in both moderate- and middle-income geographies in comparison to the demographics of the bank's assessment area.



The chart above shows that the bank's consumer lending in moderate-income tracts exceeded the percentage of households in moderate-income census tracts. Conversely, the bank originated a lower percentage of loans in middle-income tracts than the percentage of households in middle-income census tracts. Due to the bank's loan penetration of moderate-income geographies, the geographic distribution for consumer loans is excellent.



The chart shows that the bank's home mortgage lending in moderate-income census tracts exceeded the percentage of owner-occupied housing units in moderate-income census tracts.

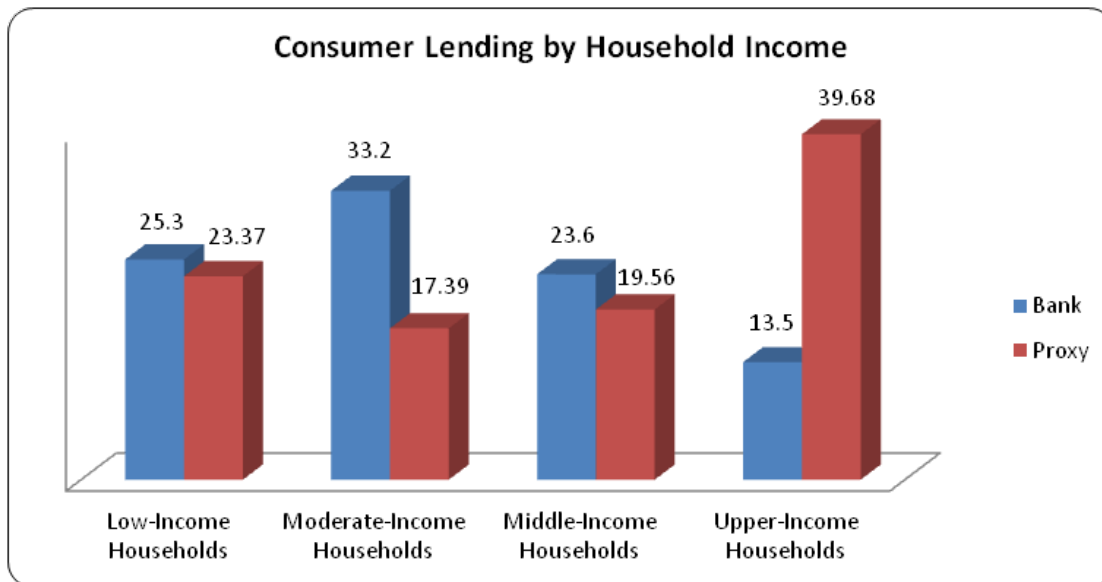
The bank's home mortgage lending in middle-income tracts was below the percentage of owner-occupied housing units in these tracts. Similar to the consumer loan geographic distribution, the bank has an excellent home mortgage loan penetration in the moderate-income geographies.

There were no significant gaps noted in the distribution of loans throughout the bank's assessment area. Over the course of the evaluation period, only two middle-income census tracts had no lending. These tracts were in Westmoreland County, along the perimeter of the assessment area and the furthest from the branch locations. As a result, it may be more difficult for Apollo to serve these locations.

Overall, the bank's consumer and home mortgage lending in moderate-income census tracts exceeded the demographics for the assessment area. Therefore, the bank's geographic distribution of loans is excellent. Refer to the tables in Appendix B for further information.

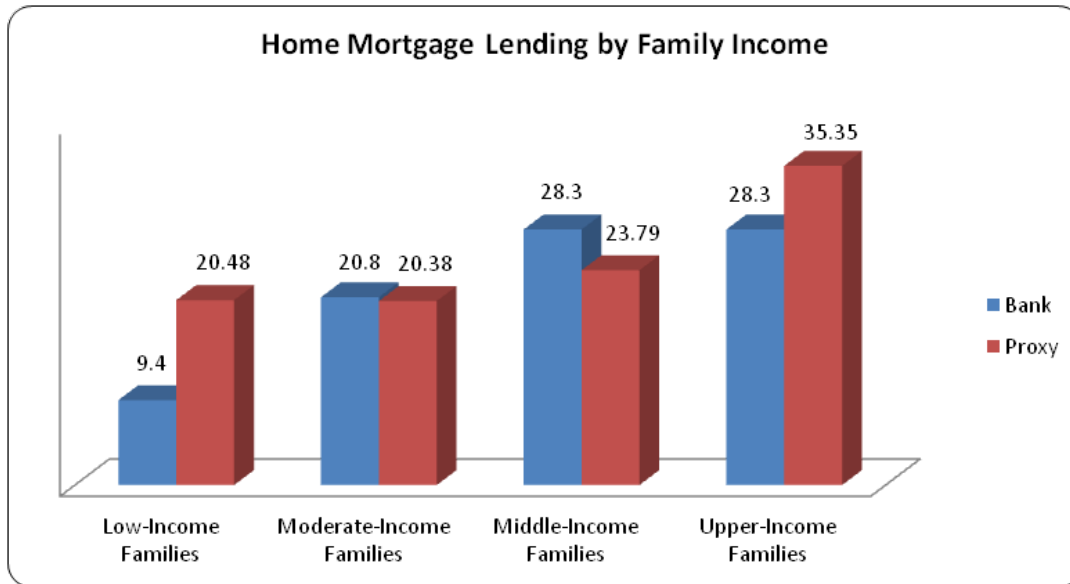
### **Borrower Distribution of Lending**

The charts that follow illustrate the percentage of consumer and home mortgage loans originated to borrowers of all income levels in comparison to the demographics of the bank's assessment area.



The chart shows that the bank has originated a slightly higher percentage of consumer loans to low-income households compared to the percentage of low-income households in the assessment area. Furthermore, consumer lending to moderate-income households significantly exceeded the percentage of moderate-income households in the assessment area. Therefore, consumer lending to low- and moderate-income households is excellent.

Consumer lending to middle-income households was slightly higher than the percentage of middle-income households, while consumer lending to upper-income households was well below the percentage of upper-income households in the assessment area. Ten of the loans made by the bank had unknown incomes.



The chart shows that mortgage lending to low-income families was significantly below the percentage of low-income families in the assessment area. However, this level of lending is adequate based on the demographics of the assessment area. In particular, only 67.6% of housing units are considered affordable for low-income families earning the maximum income to be considered low-income. It is also important to note that it may be difficult for very-low income borrowers, especially those below poverty level, to qualify for mortgage loans, which is further evidenced by the performance of the bank's peer group in the assessment area. In 2010, the peer group originated 9.42% of total home mortgage loans to low-income families. In this respect, Apollo's performance is consistent with its peer group. As a result, mortgage lending to low-income families is reasonable.

Mortgage lending to moderate-income families was consistent with the percentage of moderate-income families in the assessment area. Therefore, mortgage lending to moderate-income families is also reasonable.

Lending to middle- and upper-income families varied slightly above and below the percentage of families in the assessment area. Overall, lending to middle- and upper-income families was consistent with the demographics of the assessment area. Seven of the loans made by the bank had unknown incomes.

The analysis for both consumer and home mortgage loans reflect an adequate distribution of lending to borrowers of all income levels. As a result, the overall borrower distribution of lending is reasonable. Refer to the tables in Appendix B for further information.

**Response to Consumer Complaints**

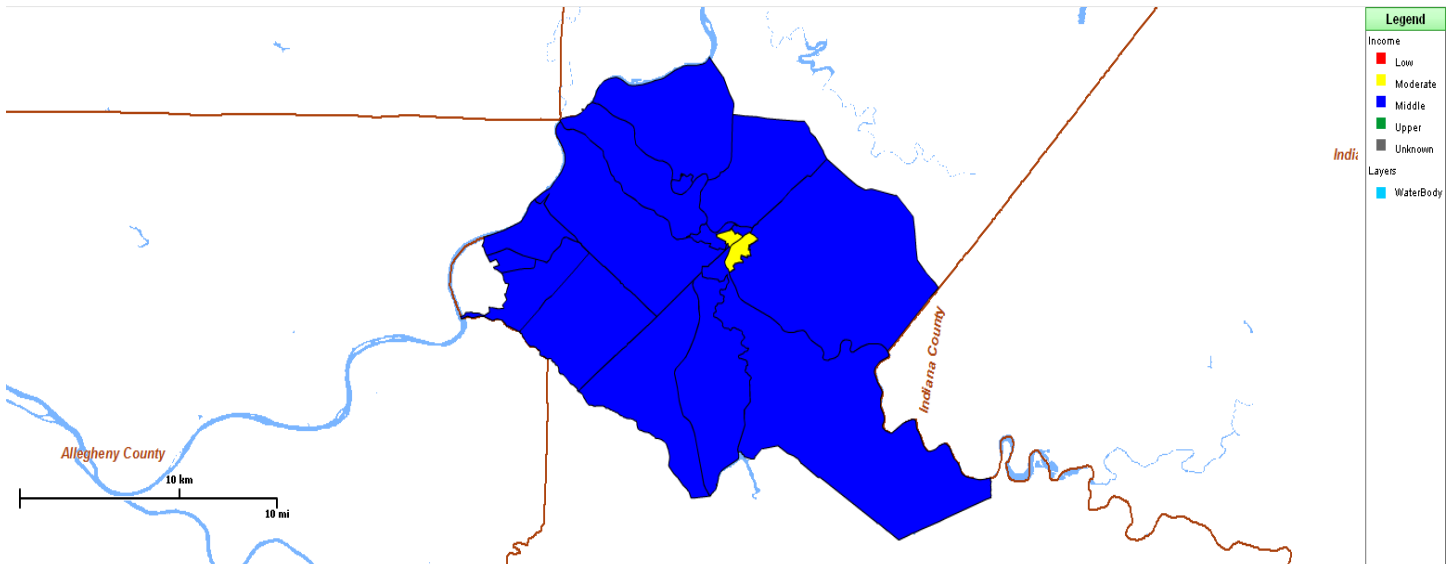
No CRA-related complaints were filed against Apollo during this evaluation period.

**Fair Lending or Other Illegal Credit Practices Review**

No evidence of discriminatory or other illegal credit practices was noted during this evaluation.

## APPENDIX A

### ASSESSMENT AREA MAP



**APPENDIX B**

**TABLES**

**Geographic Distribution of Branches and ATMs**

Assessment Area(s): Pittsburgh 2011

Tract Income Levels	Branches		ATMs		Demographics			
	Total Branches		Full Service #	Cash-Only #	Census Tracts		Households %	Total Businesses %
	#	%			#	%		
Low	0	0.0	0	0	0	0.0	0.0	0.0
Moderate	2	40.0	2	0	2	11.8	10.5	7.6
Middle	3	60.0	3	0	15	88.2	89.5	92.4
Upper	0	0.0	0	0	0	0.0	0.0	0.0
Unknown	0	0.0	0	0	0	0.0	0.0	0.0
<i>Total</i>	<i>5</i>	<i>100.0</i>	<i>5</i>	<i>0</i>	<i>17</i>	<i>100.0</i>	<i>100.00</i>	<i>100.0</i>

Geographic Distribution by Tract: HMDA, Small Business, & Small Farm  
 Assessment Area(s): Pittsburgh 2011

Product Type	Tract Income Levels	Bank Lending 2010 - 2011		Demos-graphics	Aggregate Comparison											
					2010						2011					
					Count			Dollar			Count			Dollar		
					#	%	Agg %	Bank \$	Agg \$	Agg %	#	%	Agg %	Bank \$	Agg \$	Agg %
Home Purchase	Low	0	0.0%	0	0	0.0%	0.00%	0	0.0%	0.00%	0	0.0%	0.00%	0	0.0%	0.00%
	Moderate	2	13.3%	8.7	0	0.0%	10.37%	0	0.0%	6.91%	0	0.0%	8.44%	0	0.0%	3.64%
	Middle	13	86.7%	91.3	10	100.0%	89.63%	510	100.0%	93.09%	4	40.0%	91.56%	341	24.7%	96.36%
	Upper	0	0.0%	0.0	0	0.0%	0.00%	0	0.0%	0.00%	5	50.0%	0.00%	1,023	74.0%	0.00%
	Unknown	0	0.0%	0.0	0	0.0%	0.00%	0	0.0%	0.00%	1	10.0%	0.00%	18	1.3%	0.00%
<b>Total</b>	<b>15</b>	<b>100.0</b>	<b>100.0</b>	<b>10</b>	<b>100.0%</b>	<b>100.00%</b>	<b>510</b>	<b>100.0%</b>	<b>100.00%</b>	<b>10</b>	<b>100.0%</b>	<b>100.00%</b>	<b>1,382</b>	<b>100.0%</b>	<b>100.00%</b>	
Refinance	Low	0	0.0%	0.0	0	0.0%	0.00%	0	0.0%	0.00%	0	0.0%	0.00%	0	0.0%	0.00%
	Moderate	5	20.0%	8.7	4	25.0%	5.10%	198	17.4%	2.85%	2	22.2%	4.33%	108	18.8%	3.24%
	Middle	20	80.0%	91.3	12	75.0%	94.90%	940	82.6%	97.15%	2	22.2%	95.67%	118	20.6%	96.76%
	Upper	0	0.0%	0.0	0	0.0%	0.00%	0	0.0%	0.00%	3	33.3%	0.00%	156	27.2%	0.00%
	Unknown	0	0.0%	0.0	0	0.0%	0.00%	0	0.0%	0.00%	2	22.2%	0.00%	191	33.3%	0.00%
<b>Total</b>	<b>7,261</b>	<b>100.0</b>	<b>100.0</b>	<b>16</b>	<b>100.0%</b>	<b>100.00%</b>	<b>1,138</b>	<b>100.0%</b>	<b>100.00%</b>	<b>9</b>	<b>100.0%</b>	<b>100.00%</b>	<b>573</b>	<b>100.0%</b>	<b>100.00%</b>	
Home Improvement	Low	0	0.0%	0.0	0	0.0%	0.00%	0	0.0%	0.00%	0	0.0%	0.00%	0	0.0%	0.00%
	Moderate	1	7.7%	8.7	1	10.0%	5.10%	48	10.5%	2.85%	1	33.3%	9.72%	40	25.5%	4.76%
	Middle	12	92.3%	91.3	9	90.0%	94.90%	408	89.5%	97.15%	2	66.7%	90.28%	117	74.5%	95.24%
	Upper	0	0.0%	0.0	0	0.0%	0.00%	0	0.0%	0.00%	0	0.0%	0.00%	0	0.0%	0.00%
	Unknown	0	0.0%	0.0	0	0.0%	0.00%	0	0.0%	0.00%	0	0.0%	0.00%	0	0.0%	0.00%
<b>Total</b>	<b>13</b>	<b>100.0</b>	<b>100.0</b>	<b>10</b>	<b>100.0%</b>	<b>100.00%</b>	<b>456</b>	<b>100.0%</b>	<b>100.00%</b>	<b>3</b>	<b>100.0%</b>	<b>100.00%</b>	<b>157</b>	<b>100.0%</b>	<b>100.00%</b>	
Small Business	Low	0	0.0%	0.0	0	0.0%	0.00%	0	0.0%	0.00%	0	0.0%	0.00%	0	0.0%	0.00%
	Moderate	11	73.3%	7.6	3	75.0%	3.91%	126	72.3%	1.81%	8	72.7%	5.37%	462	67.8%	3.12%
	Middle	4	26.7%	92.4	1	25.0%	96.09%	48	27.7%	98.19%	3	27.3%	94.63%	219	32.2%	96.88%
	Upper	0	0.0%	0.0	0	0.0%	0.00%	0	0.0%	0.00%	0	0.0%	0.00%	0	0.0%	0.00%
	Unknown	0	0.0%	0.0	0	0.0%	0.00%	0	0.0%	0.00%	0	0.0%	0.00%	0	0.0%	0.00%
<b>Total</b>	<b>15</b>	<b>100.0</b>	<b>100.0</b>	<b>4</b>	<b>100.0%</b>	<b>100%</b>	<b>174</b>	<b>100.0%</b>	<b>100%</b>	<b>11</b>	<b>100.0%</b>	<b>100%</b>	<b>681</b>	<b>100.0%</b>	<b>100%</b>	
Small Farm	Low	0	0.0%	0.0	0	0.0%	0.00%	0	0.0%	0.00%	0	0.0%	0.00%	0	0.0%	0.00%
	Moderate	0	0.0%	1.9	0	0.0%	0.00%	0	0.0%	0.00%	0	0.0%	0.00%	0	0.0%	0.00%
	Middle	0	0.0%	98.1	0	0.0%	100.00%	0	0.0%	100.00%	0	0.0%	100.00%	0	0.0%	100.00%
	Upper	0	0.0%	0.0	0	0.0%	0.00%	0	0.0%	0.00%	0	0.0%	0.00%	0	0.0%	0.00%
	Unknown	0	0.0%	0.0	0	0.0%	0.00%	0	0.0%	0.00%	0	0.0%	0.00%	0	0.0%	0.00%
<b>Total</b>	<b>0</b>	<b>0.0%</b>	<b>100.0</b>	<b>0</b>	<b>0.0%</b>	<b>100%</b>	<b>0</b>	<b>0.0%</b>	<b>100%</b>	<b>0</b>	<b>0.0%</b>	<b>100%</b>	<b>0</b>	<b>0.0%</b>	<b>100%</b>	
Small Business secured by RE	Low	0	0.0%	0.0												
	Moderate	0	0.0%	7.6												
	Middle	0	0.0%	92.4												
	Upper	0	0.0%	0.0												
	Unknown	0	0.0%	0.0												
<b>Total</b>	<b>0</b>	<b>0.0%</b>	<b>100.0</b>													

Originations & Purchases

**Borrower Distribution by Borrower Income: HMDA &  
Small Business & Small Farm Lending by Revenue & Loan Size  
Assessment Area(s): Pittsburgh 2011**

Product Type	Borrower Income Levels	Bank Lending 2010 - 2011		Demographics		Aggregate Comparison												
		#	%			2010			2011			2010			2011			
						Count	Dollar	%	Count	Dollar	%	Count	Dollar	%	Count	Dollar	%	
Bank	Agg	Bank	Agg	Bank	Agg	Bank	Agg	Bank	Agg	Bank	Agg	Bank	Agg	Bank	Agg			
		#	%	#	%	\$ 000s	\$ %	\$ %	#	%	\$ 000s	\$ %	\$ %	#	%	\$ 000s	\$ %	\$ %
Home Purchase	Low	0	0.0%	20.5	5	50.0%	12.21%	1	0.1%	6.36%	0	0.0%	11.11%	0	0.0%	5.86%		
	Moderate	1	6.7%	20.4	1	10.0%	27.76%	72	14.1%	21.69%	0	0.0%	31.69%	0	0.0%	25.03%		
	Middle	5	33.3%	23.8	1	10.0%	29.93%	65	12.8%	31.19%	4	40.0%	26.95%	341	24.7%	28.68%		
	Upper	8	53.3%	35.3	3	30.0%	22.58%	372	73.0%	31.84%	5	50.0%	25.31%	1,023	74.0%	36.08%		
	Unknown	1	6.7%	0.0	0	0.0%	7.53%	0	0.0%	8.91%	1	10.0%	4.94%	18	1.3%	4.36%		
	Total	15	100.0%	100.0	10	100.0%	100.00%	510	100.0%	100.00%	10	100.0%	100.00%	1,382	100.0%	100.00%		
Refinance	Low	3	12.0%	20.5	3	18.8%	6.23%	97	8.5%	3.09%	0	0.0%	6.55%	0	0.0%	3.47%		
	Moderate	6	24.0%	20.4	4	25.0%	18.80%	335	29.4%	13.38%	2	22.2%	21.75%	108	18.8%	17.10%		
	Middle	7	28.0%	23.8	5	31.3%	27.07%	362	31.8%	24.21%	2	22.2%	23.63%	118	20.6%	21.48%		
	Upper	4	16.0%	35.3	1	6.3%	38.05%	110	9.7%	47.42%	3	33.3%	37.43%	156	27.2%	46.38%		
	Unknown	5	20.0%	0.0	3	18.8%	9.85%	234	20.6%	11.90%	2	22.2%	10.64%	191	33.3%	11.58%		
	Total	25	100.0%	100.0	16	100.0%	100.00%	1,138	100.0%	100.00%	9	100.0%	100.00%	573	100.0%	100.00%		
Home Improvement	Low	2	15.4%	20.5	2	20.0%	15.31%	45	9.9%	7.08%	0	0.0%	7.64%	0	0.0%	3.47%		
	Moderate	4	30.8%	20.4	3	30.0%	26.53%	120	26.3%	23.85%	1	33.3%	25.00%	40	25.5%	10.82%		
	Middle	3	23.1%	23.8	1	10.0%	20.92%	56	12.3%	18.37%	2	66.7%	27.08%	117	74.5%	41.05%		
	Upper	3	23.1%	35.3	3	30.0%	34.69%	203	44.5%	45.27%	0	0.0%	37.50%	0	0.0%	40.95%		
	Unknown	1	7.7%	0.0	1	10.0%	2.55%	32	7.0%	5.42%	0	0.0%	2.78%	0	0.0%	2.72%		
	Total	13	100.0%	100.0	10	100.0%	100.00%	456	100.0%	100.00%	3	100.0%	100.00%	157	100.0%	100.00%		
Small Business	\$1 Million or Less	14	93.3%	89.8	0	0.0%	45.31%	0	0.0%	35.43%	11	100.0%	49.01%	681	100.0%	38.65%		
	Over \$1 Million	1	6.7%	4.9	0	0.0%		0	0.0%		0	0.0%		0	0.0%			
	Not Known	0	0.0%	5.4	4	100.0%		174	100.0%		0	0.0%		0	0.0%			
	Total	1,504	100.0%	100.0	4	100.0%		174	100.0%		11	100.0%		681	100.0%			
	\$100,000 or Less	13	86.7%		4	100.0%	89.84%	174	100.0%	35.32%	9	81.8%	91.10%	332	48.7%	43.44%		
\$100,001 - \$250,000	2	13.3%		0	0.0%	4.84%	0	0.0%	15.79%	2	18.2%	6.21%	349	51.3%	23.05%			
\$250,001 - \$1 Million	0	0.0%		0	0.0%	5.31%	0	0.0%	48.88%	0	0.0%	2.68%	0	0.0%	33.51%			
Total	15	100.0%		4	100.0%	100%	174	100.0%	100%	11	100.0%	100%	681	100.0%	100%			
Small Farm	\$1 Million or Less	0	0.0%	100.0	0	0.0%	100.00%	0	0.0%	100.00%	0	0.0%	100.00%	0	0.0%	100.00%		
	Over \$1 Million	0	0.0%	.0	0	0.0%		0	0.0%		0	0.0%		0	0.0%			
	Not Known	0	0.0%	.0	0	0.0%		0	0.0%		0	0.0%		0	0.0%			
	Total	0	0.0%	100.0	0	0.0%		0	0.0%		0	0.0%		0	0.0%			
	\$100,000 or Less	0	0.0%		0	0.0%	0.00%	0	0.0%	0.00%	0	0.0%	100.00%	0	0.0%	100.00%		
\$100,001 - \$250,000	0	0.0%		0	0.0%	100.00%	0	0.0%	100.00%	0	0.0%	0.00%	0	0.0%	0.00%			
\$250,001 - \$500,000	0	0.0%		0	0.0%	0.00%	0	0.0%	0.00%	0	0.0%	0.00%	0	0.0%	0.00%			
Total	0	0.0%		0	0.0%	100%	0	0.0%	100%	0	0.0%	100%	0	0.0%	100%			
Small Business secured by RE	\$1 Million or Less	0	0.0%	89.8														
	Over \$1 Million	0	0.0%	4.9														
	Not Known	0	0.0%	5.4														
	Total	0	0.0%	100.0														
	\$100,000 or Less	0	0.0%															
\$100,001 - \$250,000	0	0.0%																
\$250,001 - \$1 Million	0	0.0%																
Total	0	0.0%																

Originations & Purchases



## Consumer Loan Distribution Table

Assessment Area: Pittsburgh

	CONSUMER LOANS							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	<b>Consumer Loans</b>							
Low	0	0.0%	0	0.0%	58	25.3%	380	8.4%
Moderate	42	18.3%	364	8.0%	76	33.2%	982	21.6%
Low/Moderate Total	42	18.3%	364	8.0%	134	58.5%	1,363	30.0%
Middle	187	81.7%	4,186	92.0%	54	23.6%	1,512	33.2%
Upper	0	0.0%	0	0.0%	31	13.5%	1,404	30.9%
Unknown	0	0.0%	0	0.0%	10	4.4%	271	6.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	229	100.0%	4,549	100.0%	229	100.0%	4,549	100.0%
	<b>Consumer Loan Totals</b>							
Low	0	0.0%	0	0.0%	58	25.3%	380	8.4%
Moderate	42	18.3%	364	8.0%	76	33.2%	982	21.6%
Low/Moderate Total	42	18.3%	364	8.0%	134	58.5%	1,363	30.0%
Middle	187	81.7%	4,186	92.0%	54	23.6%	1,512	33.2%
Upper	0	0.0%	0	0.0%	31	13.5%	1,404	30.9%
Unknown	0	0.0%	0	0.0%	10	4.4%	271	6.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	229	100.0%	4,549	100.0%	229	100.0%	4,549	100.0%

## APPENDIX C

### GLOSSARY

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

**Census tract:** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and 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:** All Agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

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

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
  - a. Rates of poverty, unemployment, and population loss; or
  - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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

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

**Full-scope review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

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

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

**Home mortgage loans:** Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

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

**Limited-scope review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

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

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

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

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

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

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

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

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

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

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

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

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

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