



# LARGE BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## Public Disclosure

April 15, 2002

### Community Reinvestment Act Performance Evaluation

PNC Bank, N.A.  
Charter Number: 1316

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Pittsburgh, PA 15222

Office of the Comptroller of the Currency

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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.**

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## Overall CRA Rating

**Institution’s CRA Rating:** This institution is rated “**Outstanding.**”

The following table indicates the performance level of **PNC Bank, N.A.** with respect to the Lending, Investment, and Service Tests:

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

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

The major factors that support this rating include:

- The bank demonstrated excellent lending activity, especially in its major markets.
- The geographic distribution of loans is good.
- The borrower distribution of loans is good.
- Strong community development lending for affordable housing, community services and economic revitalization had a positive impact on the lending test rating.
- Community development investments that demonstrate an excellent level of responsiveness to the specific credit needs of the community.
- Service delivery systems and offices are readily accessible to geographies and individuals of different income levels. PNC is a leader and provides an excellent level of community development services to low- and moderate-income individuals and areas.

## 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 householder and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

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

**Geography:** A census tract 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 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.

**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

PNC Bank, N.A. (PNC) is headquartered in Pittsburgh, Pennsylvania. The institution had assets of \$63 billion as of December 31, 2001. Tier I capital was \$5 billion. PNC is an interstate bank operating in Florida, Indiana, Kentucky, New Jersey, Ohio and Pennsylvania.

PNC is the principal banking subsidiary of PNC Financial Services Group, Inc. (PNC Financial). PNC Financial is a diversified financial services company headquartered in Pittsburgh, Pennsylvania. As of December 31, 2001, PNC Financial had total assets of \$70 billion. PNC has 683 branches and about 2,500 ATMs.

Relevant corporate activities include one merger and one divestiture during the evaluation period. On January 31, 2001, PNC sold its former PNC Mortgage Company of America subsidiary (PNC Mortgage). PNC Mortgage was responsible for the origination of a significant portion of PNC's home purchase and home refinance loans. The volume of home mortgage loan originations has since decreased, and home improvement loans comprise a greater proportion of the total. On November 30, 2000, PNC Bank, FSB was merged into PNC. PNC Bank, FSB was a wholly owned subsidiary of PNC Financial. The merger added only two branches in Florida which comprise a very small portion of total PNC deposits.

PNC has requested that eligible loans, investments and services of its related entities, PNC Mortgage, PNC Community Partners, Inc., The PNC Foundation, Columbia Housing and PNC Capital Corporation, be considered as part of the bank's performance. PNC has no subsidiaries that negatively impacted the bank's capacity to lend or invest in its communities.

Total loans represented 65% of the bank's total assets as of December 31, 2001. The loan portfolio is comprised as follows: commercial 34%, 1-4 family residential real estate 32%, leases 10%, consumer 8%, commercial real estate 6% and 10% all other loans. Deposits held in foreign offices contributed 5% of PNC's total deposits, and foreign assets comprised 1% of total assets.

PNC, in conjunction with its subsidiaries, provides a broad range of products and services. PNC's community banking unit provides a large array of consumer banking and small business products and services. Corporate Banking offers lending, leasing, treasury management and capital markets products to middle market corporations and government. Real Estate Finance offers similar products to commercial real estate customers, as well as the syndication of affordable housing equity. Other significant products and services include asset-based lending; asset management; risk management; as well as transfer agent, accounting and administration services for mutual funds.

There are no known legal, financial or other factors impeding the bank's ability to help to meet the credit needs of its assessment areas.

The last CRA examination of PNC was dated July 6, 1998. An "Outstanding" rating was assigned to the bank's performance at that time.



## Scope of the Evaluation

### Evaluation Period/Products Evaluated

PNC's HMDA mortgage lending and small business lending were evaluated for the period January 1, 1998 through December 31, 2001. Inclusion of HMDA data prior to the current review period was appropriate, as the previous CRA examination of July 6, 1998 evaluated HMDA data only through year-end 1997. HMDA mortgage loans originated by PNC Mortgage were included for the period January 1, 1998 through December 31, 2000, as the sale of this affiliate was effective January 31, 2001. The review also included loans originated by PNC Bank, FSB.

PNC does not originate a substantial number of small farm loans or multifamily HMDA mortgage loans in any of its assessment areas; therefore, these loans were not analyzed. Community development investments and services originated or performed by PNC and its affiliates during the period July 6, 1998 through March 31, 2002 were considered. Community development loans were considered for the period July 6, 1998 through the year-end period of December 31, 2001. Our conclusions for community development loans and investments were based on an evaluation of the number and dollar amount, as well as, the level of innovation, complexity, responsiveness to community needs and the degree to which the loans and investments are not routinely provided by private investors.

In analyzing PNC's performance under the lending test, we placed greater emphasis on home mortgage lending; as such loans comprised a relatively large portion of the loans subject to our review. Within home mortgage lending, we placed more weight on home purchase lending. Our analysis of economic and demographic factors in the full-scope assessment areas, as well as, feedback from community groups, revealed that home purchase lending is a community credit need. Less weight was given to home refinance lending. Low- and moderate-income borrowers generally have less equity in their homes which limits their ability to refinance, especially in light of special programs with favorable terms under which they may have qualified for their home purchase loans. Competition from sub-prime lenders also impacts the bank's refinance lending to low- and moderate-income borrowers, as evidenced by a review of market share data. Home refinance loan origination volumes are also subject to the interest rate environment. Community development loans received positive consideration in assessment areas in which such lending had an impact.

Also factored into the lending performance are certain difficulties in lending to portions of the low-income population. Individuals and families in the lower ranges of this income category often lack a level of income necessary to qualify for a housing loan. This issue was considered when reaching conclusions regarding the level of loan distribution to low-income borrowers.

### Data Integrity

We conducted a data integrity review in the fourth quarter of 2001. During this review, we analyzed a sample of small business and home mortgage loans to ensure that the data on which

we relied for our evaluation of the bank's performance under the Community Reinvestment Act was accurate. We compared information in publicly filed data to information in the bank's loan files to determine accuracy. We also evaluated the quality of processes which the bank employs to help ensure the accuracy of this data. This review revealed that the publicly available information was accurate and reliable. Community development loans, investments and services, which are non-public data, were reviewed to determine that they qualified under the regulatory criteria for community development. We made some qualifying adjustments to this data.

### **Selection of Areas for Full-Scope Review**

In each state where the bank has an office, a sample of assessment areas within that state was selected for full-scope reviews. We determined which assessment areas would have full-scope reviews based on a review of the volume of deposits in each assessment area, the volume of home mortgage and small business lending, the branching presence and community factors. For each state subject to review, we selected at least one assessment area for full-scope review. Refer to the "Scope" section under each State Rating for details regarding how the areas were selected. Every multistate assessment area in which the bank has branches in more than one state received a full-scope review.

### **Ratings**

The bank's overall rating is a blend of the multistate metropolitan assessment area ratings and state ratings. The following areas and states received the greatest weight in our determination of the overall rating and are listed in order of significance: the State of Pennsylvania, the State of New Jersey and the Philadelphia PA-NJ multistate MSA. These areas hold 88% of the bank's deposits. Conversely, the State of Florida received very little weight, as its deposits comprised just 0.1% of all bank deposits.

The multistate metropolitan area ratings are based on the full-scope review of those areas. State ratings are based primarily on those areas that received full-scope reviews. Refer to the "Scope" section under each state rating for details regarding how the areas were weighted in arriving at the overall state rating.

### **Fair Lending Review**

An analysis of the most recent public comments, consumer complaint information, HMDA and small business data was performed according to the OCC's risk-based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year.

## **Cincinnati OH-KY Multistate Rating Area**

**CRA Rating for the Cincinnati OH-KY Multistate Rating Area: Satisfactory**

**The lending test is rated: Low Satisfactory**

**The investment test is rated: Outstanding**

**The service test is rated: Low Satisfactory**

The major factors that support this rating include:

- A good volume of home mortgage lending and small business lending.
- An adequate geographic distribution of home mortgage loans and small business loans.
- A good borrower distribution of home mortgage loans and an adequate distribution of small business loans.
- Community development lending had a positive impact on the lending test.
- An excellent level of qualified community development investments.
- Service delivery systems are reasonably accessible to geographies and individuals of different income levels and a high level of community development services is provided to the area.

## **Description of PNC's Operations in the Cincinnati Multistate Area**

PNC's assessment area includes the portions of the Cincinnati MSA and all of the Hamilton-Middletown MSA, which together constitute the Cincinnati CMSA. PNC derives 5% of its deposits from the Cincinnati area.

Refer to the Market Profiles for the Cincinnati MSA in Appendix C for detailed demographic and other performance context information for the assessment area.

## **LENDING TEST**

The bank's performance under the lending test in the Cincinnati area is rated "Low Satisfactory."

### **Lending Activity**

Refer to Table 1 of Appendix D for the facts and data used to evaluate PNC's lending activity. Lending activity in this assessment area represents a good level of responsiveness to community credit needs.

PNC originated and purchased about 19,300 loans totaling about \$1.7 billion during the evaluation period. By number of originations, 82.5% were HMDA reportable home loans and 17.5% were small loans to businesses. Home purchase loans comprise 26%, home improvement loans 23%, and home refinance loans 51% of HMDA reportable loans. The volume of community development loans had a positive impact on lending activity performance.

PNC ranks 4<sup>th</sup> in the assessment area for deposit market share with 6.3% of deposits per the June 30, 2001 FDIC Deposit Market Share Report. Per 2000 HMDA market share data, PNC ranked 7<sup>th</sup> with a 2.7% market share for home purchase loans by number. PNC's rank for home improvement loans was 3<sup>rd</sup> with an 11.4% share and 3<sup>rd</sup> with a 4.4% share for home refinance loans. Performance is noteworthy for home mortgage loans in consideration of the levels of competition in home purchase and refinancing lending where there are hundreds of lenders including numerous non-depository institutions.

PNC has a rank of 11<sup>th</sup>, with 2.1% of the market, by number of originations for small loans to businesses in the assessment area. The performance is good in light of competition from large lenders that provide small business credit cards. The top 2 lenders provided 40% of loans by number, but only 5% of loans by dollar amount. By dollar amount, PNC's rank of 4<sup>th</sup> and market share of 7.4% is somewhat greater than its deposit rank and market share. PNC obtains 6.3% of its small loans to businesses from this market, compared to 5.4% of its deposits.

The sale of PNC Mortgage reduced the volume of home purchase and refinance loans beginning with 2001 data. PNC's lending strategy now emphasizes home improvement and small business lending. However, PNC continues to offer an affordable home purchase loan, which it has identified as a community credit need.

## **Distribution of Loans by Income Level of the Geography**

The overall geographic distribution of the bank's lending is adequate in the Cincinnati assessment area.

### Home Mortgage Loans

Refer to Tables 2, 3, and 4 of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loans originations/purchases. The overall geographic distribution of home mortgage loans is adequate.

PNC's geographic distribution of home purchase loans is adequate in Cincinnati assessment area. The percentage of home purchase loans made in low-income census tracts exceeded the percentage of owner-occupied units in these geographies. However, in moderate-income tracts, the percentage of home purchase loans was significantly less than the percentage of owner-occupied units. PNC's market share in low-income geographies was near to its overall market share, while market share in moderate-income geographies was less than its overall market share.

PNC's geographic distribution of home improvement loans is adequate in the Cincinnati assessment area. The percentage of home improvement loans in low-income geographies is somewhat less than the percentage of owner-occupied housing. In moderate-income geographies, the percentage of home improvement loans is significantly less than the percentage of owner-occupied housing. PNC's market share in low-income geographies was near to its overall market share, while market share in moderate-income geographies was significantly less than its overall market share.

PNC's geographic distribution of home refinance loans is poor in this assessment area. The percentage of home refinance loans in both low- and moderate-income geographies was significantly less than the percentage of owner-occupied housing. PNC's market shares in both low- and moderate-income geographies were significantly less than the bank's overall market share in the assessment area.

### Small Loans to Businesses

Refer to Table 6 of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination and purchase of small loans to businesses.

PNC's geographic distribution of small loans to businesses is adequate. The percentage of small loans to businesses in both low- and moderate-income geographies is less than the percentage of small businesses in these geographies. PNC's market share of small loans to businesses in both low- and moderate-income geographies was near to its overall market share.

## **Lending Gap Analysis**

Home mortgage and small business lending were evaluated using mapping and other techniques. No significant or unexplained gaps were revealed.

## **Inside/Outside Ratio**

PNC originates a majority of its loans from within its assessment areas. In the Cincinnati multistate area, over 90% of home purchase, improvement, refinance and small business lending originated from inside the assessment area. The analysis does not include extensions of credit made by bank affiliates.

## **Distribution of Loans by Income Level of the Borrower**

The overall borrower distribution of the bank's lending is good in the Cincinnati assessment area.

### Home Mortgage Loans

Refer to Tables 8, 9, and 10 of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases. The overall borrower distribution of home mortgage loans is good in the assessment area.

PNC's distribution of home purchase loans to low- and moderate-income borrowers is good. The percentage of home purchase loans to low-income borrowers was less than the percentage of low-income families in the assessment area. However, the percentage of home purchase loans to moderate-income borrowers significantly exceeded the percentage of moderate-income families. PNC's market share among both low-income and moderate-income borrowers was somewhat less than its overall market share.

PNC's distribution of home improvement loans to low- and moderate-income borrowers is good. The percentage of home improvement loans to low-income borrowers was significantly less than the percentage of low-income families. However, the percentage of such loans to moderate-income borrowers exceeded the percentage of moderate-income families. PNC's market share among low-income borrowers was near to its overall market share, and its market share among moderate-income borrowers was less than its overall market share.

PNC's distribution of home refinance loans to low- and moderate-income borrowers is adequate. The percentage of home refinance loans among low-income borrowers was significantly less than the percentage of low-income families. However, the percentage of such loans to moderate-income borrowers exceeded the percentage of moderate-income families. PNC's market share among low-income borrowers was less than its overall market share; however, its moderate-income borrower market share was near to the overall market share.

### Small Loans to Businesses

Refer to Table 11 of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses. The distribution of small loans to businesses is adequate.

Loans to small businesses comprised 37.7% of all business loans. This percentage is skewed lower because the loan population includes many businesses for which revenue is unknown.

Recalculating the percentage based only on loans for which business revenue is known, loans to small businesses increase to 50.4%. This is less than the 85.3% of businesses in the assessment area that have revenues of \$1 million or less. Nevertheless, PNC's market share among small businesses evidences the bank's practice of lending to small businesses, as it was 1.5 times greater than its market share among businesses of all sizes. Furthermore, PNC also targets small businesses with its loan programs that waive revenue information.

### **Community Development Lending**

Refer to Table 1 in Appendix D for the facts and data used to evaluate the bank's level of community development lending.

Community development lending had a positive impact on the lending test conclusion for the Cincinnati assessment area. PNC originated 11 community development loans totaling almost \$13 million during the evaluation period. The level of community development lending activity is considered good. The dollar volume of community development loans represents 5% of the bank's allocated Tier 1 Capital attributed to the Cincinnati assessment area.<sup>1</sup> Community development lending opportunity in the area is high, although PNC must compete against several banks with larger presences in this market.

The bank's community development loans are responsive to the needs of the assessment area. Over 80% of these loans were used in conjunction with affordable housing activities. Occasionally these loans were complex involving multiple financial institutions, developers, government agencies, or financing sources.

The following are examples of community development loans.

- PNC is a \$2 million loan participant in The Cincinnati Development Fund (CDF) Pool VI. CDF is a Community Development Financial Institution whose primary activity involves the creation or preservation of affordable housing in the Greater Cincinnati area. It works with housing developers in arranging or providing pre-development or development financing and also administers several government loan programs. PNC has been an ongoing participant with CDF since 1988.
- PNC provided 3 separate loans totaling \$3.2 million to The Cincinnati Development Fund for the rehabilitation of a former educational building in a low-income community into mixed income apartments. Rehabilitation of the building, which had been vacant for 9 years, will provide affordable housing to moderate-income persons and help stabilize and revitalize this very low-income area.
- PNC provided a \$750 thousand loan to a non-profit organization that provides residential, educational and family support services to low and moderate-income individuals with disabilities.

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<sup>1</sup> Tier one capital was allocated to each assessment area based on that area's proportion of PNC deposits to total bank deposits.

## Product Innovation and Flexibility

Product flexibility had a positive impact on the lending test. PNC has developed bank-wide lending programs that represent flexible efforts to help meet the credit needs of the community. These programs are available in the Cincinnati assessment area. Information about the number and dollar amount of these loans was available on a bank-wide basis only. Examples include:

- **Basic Loan Program:** PNC designed this product for low- and moderate-income borrowers. The program offers expanded credit criteria, extended terms and reduced minimum loan amounts. Low- and moderate-income individuals also receive specialized underwriting through PNC's "High Touch" underwriting which seeks to qualify applicants under supplemental factors as applicable. Three products exist under the program: home equity installment loan, personal unsecured loan and home equity line of credit. On a bank-wide basis, PNC has originated 376 loans from 1999 through 2001 under the program. Originations were significantly greater in 2001 due to training and communication with bank personnel to expand the program's usage. Statistics are not available for individual assessment areas.
- **Home Purchase Loan Programs:** Prior to the sale of the PNC Mortgage subsidiary in February 2001, PNC offered affordable home purchase loan products with more flexible underwriting criteria and lower rates than that typically available under affordable products sponsored through Federal and state agency programs. PNC also offered these agency-sponsored products, but supplemented them with a PNC grant that low- and moderate-income borrowers could apply toward closing costs. Maximum grants under each product varied over time and by market but were at least \$1,000.
- **Primary Access Mortgage Program:** To continue to provide low- and moderate-income borrowers with affordable home purchase mortgage products following the PNC Mortgage sale, PNC created the Primary Access Mortgage Program. The program includes affordable home purchase mortgage products sponsored by Federal, state and local agencies. PNC supplements each product with a closing cost assistance grant of up to \$1,000 for low- and moderate-income borrowers who are first time homebuyers. PNC originated 282 Primary Access Mortgages in 2001, for \$19 million, on a bank-wide basis. Among these loans, closing cost assistance was provided to 255 borrowers.

## INVESTMENT TEST

The bank's performance under the investment test in the Cincinnati MSA is rated "Outstanding." Refer to Table 14 in the Multistate Metropolitan Area section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

In the Cincinnati assessment area there were 37 qualified investments and 174 qualified grants totaling \$14.1 million and \$1.2 million respectively. The level of investments is considered excellent and responsive to the credit needs of the community. Of the total dollar volume, approximately 66% of these investments were made during the evaluation period. The remainder is investments from prior to the evaluation period that are still outstanding. The largest portion, over 80%, of the bank's current period investment is directed toward affordable



housing, primarily through the purchase of low and moderate- income targeted mortgage backed securities. Investment opportunities in the market are high although the bank must compete against larger area competitors.

A variety of qualified investment methods are used to meet various needs of the community. These include mortgage backed securities that financed affordable housing, deposits in Community Development Financial Institutions (CDFI) and community credit unions that reinvest the funds to serve their low- and moderate-income customers and geographic areas, small business investments by the bank's SBIC, LIHTCs (both direct equity investments and secondary investments through a LIHTC fund) to develop multifamily affordable housing, economic grants and Program Related Investments to non-profit organizations that support affordable housing, community development and community services, and equity investments in area economic development funds.

In Cincinnati, and many of the other assessment areas, PNC's has made investments that are considered complex or display a leadership position in support of the community. PNC has an Affordable Housing group that specializes in debt and equity underwriting services of LIHTC projects. LIHTC projects are complex in nature because of the number of parties involved in a typical project and the level of detail a project requires dealing with timing requirements, developer issues, multiple layers of financing, and tax-related issues. Program Related Investments, or PRI, represent an effort begun by the bank in 1998 to target investments dollars to community groups that will enhance these organizations' effectiveness and their impact on the community. Granted through the PNC Foundation, PRIs are able to provide community organizations with funds on a highly flexible, low cost, long-term basis. PRIs have been used to help defray start-up and pre-development cost activities when more conventional sources of funds are usually not available. PRI funding has also been used as a means to leverage other financial forms of support for the organization. PNC is a leader in providing this type of investment, and these investments are often accompanied by a high level of ongoing technical and service support by bank personnel.

In the Cincinnati assessment area, the following is an example of PNC's CD investments:

- PNC was one of four banks to start the Greater Cincinnati Micro-enterprise Initiative, a micro-loan program created to promote economic self-sufficiency and entrepreneurship among low- and moderate-income individuals. It makes small business loans under \$25,000. PNC made an initial investment of \$100 thousand and has since provided additional grant money plus a \$135 thousand PRI. The PRI is being used to expand the services of the Initiative to enable them to make larger loans to businesses whose borrowing needs, while greater than the \$25,000 limit, are not able to qualify for conventional bank financing. PNC is the only bank providing funding for the larger loan program.

## **SERVICE TEST**

The bank's performance under the service test in the Cincinnati MSA is rated "Low Satisfactory."

### **Retail Banking Services**

Refer to Table 15 in the Multistate Metropolitan Area section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Delivery systems are reasonably accessible to geographies and individuals of different income levels in the assessment area.

In the Cincinnati assessment area, the proportion of PNC's branches in low-income geographies is significantly below the percentage of population living in low-income geographies. The proportion of branches in moderate-income geographies is also significantly below the percentage population living in moderate-income geographies. However, and as further described below, the availability and usage of alternative delivery systems, especially by low- or moderate-income households supports a finding of reasonably accessible retail banking services.

PNC's record of opening and closing branch offices has generally not adversely affected accessibility of its delivery systems, particularly to low- and moderate-income individuals. The net affect of branch activity is the closure of one branch in a low-income geography and one branch in a moderate-income geography. These branches were closed for economic performance reasons. PNC transferred the accounts to a low-income geography branch 1.2 miles away and a middle-income geography branch 1.8 miles away, respectively.

Branch hours are consistent with the bank's overall branching network with some branch hours tailored to individual communities, including low- and moderate-income communities. Current branch hours do not vary in a way that inconveniences the assessment area, particularly low- and moderate-income individuals. Alternative delivery systems, including the bank's ATM network and telephone banking, are available in all geographies. According to an internal analysis provided by the bank, alternative delivery usage by households in low- and moderate-income geographies is greater than activity in middle- and upper-income geographies.

ATMs provide an alternative delivery channel that helps to supplement branches in the accessibility of PNC products and services to persons in low- and moderate-income geographies. The proportion of full service ATMs in low- and moderate-income areas is near to the proportion in middle- and upper-income geographies. Nevertheless, the net affect of ATM openings and closings was a decrease of one ATM in low-income geographies and two ATMs in moderate-income geographies.

Traditional banking services are available to consumer and business customers at all branch locations. Deposit services and loan products are varied and include low or no cost checking

accounts that serve basic customer financial needs and home mortgages that target low- and moderate-income first time home buyers.

### **Community Development Services**

PNC provides a high level of community development services that target low- and moderate-income individuals and geographies in the Cincinnati-Hamilton assessment area. PNC staff and management actively participate in numerous economic development and revitalization organizations, provide financial expertise to community organizations benefiting low- and moderate-income individuals and geographies, conduct financial training and affordable housing workshops, and contribute technical expertise for small business and nonprofits, including micro-loan groups. For example, during the review period, the bank provided:

- Seventy-six community development services relating to affordable housing;
- Nineteen basic financial education courses; and
- Technical assistance and financial expertise to several economic development organizations.

Specific examples of community development services include:

- A PNC regional president chairs the Economic Inclusion Committee of Cincinnati Action Now (CAN). The Economic Inclusion Committee provides technical and financial assistance to businesses in low- and moderate-income areas, which will help foster economic stability and revitalization.
- Bank staff provide technical assistance through participation on loan committees for the Greater Cincinnati Micro-Enterprise Initiative. This organization provides funding for economic development projects in low- and moderate-income geographies.
- PNC provides support for the Cincinnati Development Fund's operations, previously described in the "Community Development Lending" section. PNC staff complete loan and payment processing which is a labor-intensive manual process.
- PNC has partnered with Greater Cincinnati Mortgage Counseling to offer the PNC Homebuyer's Club that includes an expanded financial literacy class.

## **Louisville KY-IN Multistate Rating Area**

**CRA Rating for the Louisville KY-IN Multistate Rating Area: Outstanding**

**The lending test is rated: High Satisfactory.**

**The investment test is rated: Outstanding**

**The service test is rated: Outstanding**

The major factors that support this rating include:

- An excellent volume of home mortgage lending and a good volume of small business lending throughout the assessment area.
- An adequate geographic distribution of home mortgage loans and a good distribution of small business loans.
- A good borrower distribution of home mortgage loans and an adequate distribution of small business loans.
- Community development lending had a positive impact on the lending test.
- An excellent level of qualified community development investments.
- Service delivery systems are readily accessible to geographies and individuals of different income levels. The bank is a leader in providing community development service that had a positive impact on low- and moderate-income individuals.

## **Description of PNC's Operations in the Louisville Multistate Area**

PNC's assessment area includes portions of the Louisville Kentucky-Indiana multistate MSA. The portions of the Louisville MSA that are in PNC's assessment area include Clark and Floyd Counties in Indiana, and Jefferson and Oldham Counties in Kentucky. PNC derives 6% of its deposits from the Louisville area.

Refer to the Market Profiles for the Louisville Multistate MSA in Appendix C for detailed demographic and other performance context information for the assessment area.

## **LENDING TEST**

### **Conclusions for the Louisville Multistate MSA**

The bank's performance under the lending test in the Louisville Multistate MSA is rated "High Satisfactory."

### **Lending Activity**

Refer to Table 1 of Appendix D for the facts and data used to evaluate PNC's lending activity. Lending activity in this assessment area represents an excellent level of responsiveness to community credit needs.

In this assessment area, PNC originated and purchased about 20,400 loans totaling about \$1.5 billion during the evaluation period. By number of originations, 82.5% were HMDA reportable home loans and 17.5% were small loans to businesses. Home purchase loans comprise 27%, home improvement loans 20%, and home refinance loans 53% of HMDA reportable loans. The volume of community development loans had a significant positive impact on lending activity performance.

PNC ranks 3<sup>rd</sup> in the assessment area for deposit market share with 14.2% of deposits per the June 30, 2001 FDIC Deposit Market Share Report. Per 2000 HMDA market share data, PNC ranked 2<sup>nd</sup> with a 5.1% share for home purchase loans by number. PNC's rank for home improvement loans was 2<sup>nd</sup> with a 15.1% share and 2<sup>nd</sup> with an 8.5% share for home refinance loans. Performance is noteworthy for home mortgage loans in consideration of the levels of competition in home purchase and refinancing lending where there are hundreds of lenders including numerous non-depository institutions.

PNC has a rank of 9<sup>th</sup>, with 3.8% of the market, by number of originations for small loans to businesses in the assessment area. The performance is good in light of competition from large lenders that provide small business credit cards. The top 2 lenders provided 38% of loans by number, but only 4.7% of loans by dollar amount. PNC's average loan size is \$136 thousand, while the top two lenders average loan sizes are \$5 thousand and \$7 thousand, respectively. By dollar amount, PNC's rank is 3<sup>rd</sup> which is equal to its deposit rank. PNC obtains 6.6% of its small loans to businesses from this market, compared to 5.9% of its deposits.

The sale of PNC Mortgage reduced the volume of home purchase and refinance loans beginning with 2001 data. PNC's lending strategy now emphasizes home improvement and small business lending. However, PNC continues to offer an affordable home purchase loan, which it has identified as a community credit need.

### **Distribution of Loans by Income Level of the Geography**

The overall distribution of the bank's lending is good in the Louisville assessment area.

#### Home Mortgage Loans

Refer to Tables 2, 3, and 4 of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loans originations/purchases. The overall geographic distribution of home mortgage loans is adequate.

PNC's geographic distribution of home purchase loans is good in the assessment area. The percentage of home purchase loans made in low- and moderate-income census tracts was comparable to, and exceeded, the percentage of owner-occupied units, respectively. However, PNC's market shares in both low- and moderate-income geographies were less than its overall market share in the assessment area.

PNC's geographic distribution of home improvement loans is adequate in the Louisville assessment area. The percentage of home improvement loans in low-income geographies is significantly less than the level of owner-occupied housing. In moderate-income geographies, the percentage of home improvement loans is near to the percentage of owner-occupied housing. PNC's market share in both low- and moderate-income geographies was significantly below its overall market share.

PNC's geographic distribution of home refinance loans is poor in this assessment area. The percentage of home refinance loans in low-income geographies was substantially less than the percentage of owner-occupied housing, and the moderate-income percentage was significantly less. PNC's market share in low-income geographies was substantially less than its overall market share, and its market share among moderate-income geographies was significantly less than the bank's overall market share.

#### Small Loans to Businesses

Refer to Table 6 of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination and purchase of small loans to businesses.

PNC's geographic distribution of small loans to businesses is good. The percentage of small loans to businesses in both low- and moderate-income geographies is comparable to the percentage of small businesses. PNC's market share in low-income geographies was comparable to its overall market share, and its moderate-income market share exceeded its overall market share.

## **Lending Gap Analysis**

Home mortgage and small business lending were evaluated using mapping and other techniques. No significant or unexplained gaps were revealed.

## **Inside/Outside Ratio**

PNC originates a majority of its loans from within its assessment areas. In the Louisville multistate area, over 90% of home purchase, improvement, refinance and small business lending originated from inside the assessment area. The analysis does not include extensions of credit made by bank affiliates.

## **Distribution of Loans by Income Level of the Borrower**

The overall borrower distribution of the bank's lending is good in the Louisville assessment area.

### Home Mortgage Loans

Refer to Tables 8, 9, and 10 of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases. The overall borrower distribution of home mortgage loans is good in the assessment area.

PNC's distribution of home purchase loans to low- and moderate-income borrowers is excellent. The percentage of home purchase loans to both low- and moderate-income borrowers significantly exceeded the percentages of low-income and moderate-income families in the assessment area. Furthermore, PNC's market share among low-income and moderate-income borrowers was well in excess of, and comparable to, its overall market share, respectively.

PNC's distribution of home improvement loans to low- and moderate-income borrowers is good. The percentage of home improvement loans to low-income borrowers was somewhat less than the percentage of low-income families. However, the percentage of such loans to moderate-income borrowers significantly exceeded the percentage of moderate-income families. This pattern was reversed in PNC's home improvement market shares. PNC's market share among low-income borrowers exceeded its overall market share, but its moderate-income market share was near to its overall market share.

PNC's distribution of home refinance loans to low- and moderate-income borrowers is good. The percentage of home refinance loans among low-income borrowers was significantly less than the percentage of low-income families. However, the percentage of such loans to moderate-income borrowers significantly exceeded the percentage of moderate-income families. PNC's market share among low-income borrowers is less than its overall market share, and the bank's moderate-income borrower market share is near to its overall market share.

### Small Loans to Businesses

Refer to Table 11 of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses. The distribution of small loans to businesses is adequate for assessment area.

Loans to small businesses comprised 38.4% of all business loans. This percentage is skewed lower because the loan population includes many businesses for which revenue is unknown. Recalculating the percentage based only on loans for which business revenue is known, loans to small businesses increase to 60.6%. This is somewhat less than the 84.4% of businesses in the assessment area that have revenues of \$1 million or less. Nevertheless, PNC's market share among small businesses evidences the bank's practice of lending to small businesses, as it was 1.7 times greater than its market share among businesses of all sizes. Furthermore, PNC also targets small businesses with its loan programs that waive revenue information.

### **Community Development Lending**

Refer to Table 1 in Appendix D for the facts and data used to evaluate the bank's level of community development lending.

Community development lending had a significant positive impact on the lending test conclusion for the Louisville assessment area. PNC originated 22 community development loans to 14 borrowers totaling \$22.5 million during the evaluation period. The level of CD lending activity is considered excellent. The dollar volume of CD loans represents 7% of the bank's allocated Tier 1 Capital attributed to the Louisville assessment area. Community development lending opportunities in the area are high.

The bank's CD loans are responsive to the needs of the assessment area. Over 80% of these loans provided funding for the creation of affordable rental housing, an identified community credit need. These were often complex, labor-intensive loans to structure as they typically involved multiple financial institutions, developers, government agencies and financing sources, including LIHTC.

The following are examples of community development loans.

- PNC provided over \$3.5 million in construction financing for a suburban single-family housing development that is targeted to families at or below 50% of the area median income. The development's approach is unique to the area as it included the construction of 17 single-family ranch style homes for rental to low-income families.
- The bank provided \$1.4 million in financing that will create 22 two bedroom and 10 three bedroom units to be leased to persons with income ranging from 40% to 60% of the area median income.
- PNC provided \$1.2 million in construction financing for a not-for-profit social service agency located in a low-income community. Eighty-five percent of the agency's client base is at, or below, poverty level. PNC provided leadership and flexibility to expedite construction, granting the bridge loan although end funding sources had not been fully committed.



- PNC granted a non-profit organization a \$60 thousand operating line of credit. The organization provides community services through its career training and job placement program for low- and moderate-income individuals.

### **Product Innovation and Flexibility**

Product flexibility had a positive impact on the lending test. PNC has developed several bank-wide lending programs to help meet the credit needs of the community. These programs are discussed in the “Product Innovation and Flexibility” section of the Multistate Metropolitan Area Ratings for the Cincinnati assessment area. The programs are available in the Louisville assessment area although information about the number and dollar amount of these loans was available on a bank-wide basis only.

### **INVESTMENT TEST**

The bank’s performance under the investment test in the Louisville Multistate MSA is rated “Outstanding.” Refer to Table 14 in the Multistate Metropolitan Area section of Appendix D for the facts and data used to evaluate the bank’s level of qualified investments.

In the Louisville assessment area, the level of qualified investments is excellent and considered highly responsive to the community’s needs. During the current evaluation period there were 17 qualified investments and 41 qualified grants made totaling \$13.1 million and \$1.3 million respectively. In addition, there are 27 qualified investments totaling \$25.3 million that were made prior to the current evaluation period but remain outstanding. These prior period investments are primarily LIHTCs and they continue to have a positive impact on the community. A high level of investment opportunity exists in the Louisville area.

PNC is a leader in LIHTC investments financing in the Louisville area. The 31 outstanding PNC LIHTC investments have provided close to 1,200 units of affordable housing in the Louisville area. As explained in the Cincinnati section of this report, LIHTC projects are a complex form of investing.

The following are examples of PNC’s CD investments in the Louisville assessment area:

- PNC invested \$2.3 million in LIHTC to finance the construction of 24 single-family homes for low-income families. The homes will help stabilize the neighborhood by providing in-fill housing to an area that has been distressed with vacant and abandoned buildings. These homes have a unique rental/purchase option, and to help promote the homeownership features, the bank provided a separate \$136 thousand PRI to construct two model homes for display.
- PNC invested \$1.6 million in LIHTC to rehabilitate an abandoned former schoolhouse built in 1888 into a 19-unit affordable housing apartment complex. PNC also provided the construction and permanent loan for this project.

## **SERVICE TEST**

The bank's performance under the service test in the Louisville Multistate MSA is rated "Outstanding."

### **Retail Banking Services**

Refer to Table 15 in the Multistate Metropolitan Area section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

Delivery systems are readily accessible to geographies and individuals of different income levels in the assessment area.

In the Louisville assessment area, the proportion of PNC's branches in low-income geographies is near to the percentage of population living in low-income geographies. The proportion of branches in moderate-income geographies is comparable to the percentage population living in moderate-income geographies. The proximity of PNC branches to low- and moderate-income geographies augments accessibility to PNC's products and services. Eighty-eight percent of low- and moderate-income geographies are within one mile of a PNC branch.

PNC's record of opening and closing branch offices has not adversely affected accessibility of its delivery systems, particularly to low- and moderate-income individuals. The net affect of branch activity is the closure of a branch in a moderate-income geography. PNC transferred the accounts to another branch in a moderate-income geography just 0.2 miles away.

Branch hours are consistent with the bank's overall branching network with some branch hours tailored to individual communities, including low- and moderate-income communities. Current branch hours do not vary in a way that inconveniences the assessment area, particularly low- and moderate-income individuals. Alternative delivery systems, including the bank's ATM network and telephone banking, are available in all geographies. According to an internal analysis provided by the bank, alternative delivery usage in low- and moderate-income geographies is comparable or greater than activity in middle- and upper-income geographies.

ATMs provide a reasonable alternative delivery channel that helps to supplement branches in the accessibility of PNC products and services to persons in low- and moderate-income geographies. The distribution of ATMs in low-income geographies is near to the percentage of population in low-income geographies. The distribution of ATMs in moderate-income geographies exceeds the percentage of population in moderate-income geographies. During the review period, the bank increased the availability of ATM service to moderate-income geographies through a net increase of eight ATMs. Changes in ATM locations had no net impact on low-income geographies. Furthermore, the proportion of full service ATMs in low- and moderate-income areas is comparable to the proportion in middle- and upper-income geographies.

Traditional banking services are available to consumer and business customers at all branch locations. Deposit services and loan products are varied and range from low or no cost checking accounts that serve basic customer financial needs to home mortgages that target low- and moderate-income first time home buyers.

### **Community Development Services**

PNC provides an excellent level of community development services that target low- and moderate- income individuals and geographies in the Louisville assessment area. PNC staff and management actively participate in numerous economic development and revitalization organizations, provide financial expertise to community organizations benefiting low- and moderate-income individuals and geographies, conduct financial training and affordable housing workshops, and contribute technical expertise for small business and nonprofits, including micro-loan groups. For example, during the review period, the bank provided:

- Ninety-six CD services relating to affordable housing;
- Twenty-five basic financial education courses; and
- Technical assistance to over 28 small businesses and non-profit groups.

The bank is a leader in providing financing and education for housing among low- and moderate-income individuals and groups that support affordable housing, particularly in regard to the bank's ability to successfully migrate low- and moderate-income individuals from educational workshops to active pursuit of home ownership, specifically:

- PNC employees promote affordable housing by hosting homebuyer workshops throughout the metropolitan area that target low- and-moderate income first time homebuyers. During the evaluation period these "Yes You Can" workshops were attended by over 2,500 individuals and over 2,000 went on to attend credit counseling workshops or pursue home ownership.
- The bank hosts "How To" workshops for non-profit organizations to begin developing affordable housing. Thirty-three non-profit organizations attended these workshops that include topics such as LIHTC developments, raising equity, and acquisition and site control. Participants of these workshops initiated small development projects and successfully sought funding support from state housing finance authorities.

## Philadelphia PA-NJ Multistate Rating Area

**CRA Rating for the Philadelphia PA-NJ Multistate Rating Area: Outstanding**

**The lending test is rated: High Satisfactory**

**The investment test is rated: Outstanding**

**The service test is rated: Outstanding**

The major factors that support this rating include:

- An excellent volume of home mortgage lending and a good volume of small business lending throughout the assessment area.
- A good geographic distribution of home mortgage loans, and an excellent geographic distribution of small business loans.
- A good borrower distribution of home mortgage loans, and an adequate borrower distribution of small business loans.
- Community development lending and product flexibility had a positive impact on the lending test.
- An excellent level of qualified community development investments.
- Service delivery systems are readily accessible to geographies and individuals of different income levels. The bank is a leader in providing community development service that had a positive impact on low- and moderate-income individuals.

## **Description of PNC's Operations in the Philadelphia Multistate Area**

PNC's assessment area includes most of the Philadelphia Pennsylvania-New Jersey multistate MSA. The counties of the Philadelphia MSA that are in PNC's assessment area are Bucks, Chester, Delaware, Montgomery and Philadelphia in Pennsylvania; and Burlington, Camden and Gloucester in New Jersey. The assessment area does not include Salem County in New Jersey. PNC derives 22% of its deposits from the Philadelphia area.

Refer to the Market Profiles for the Philadelphia Multistate MSA in Appendix C for detailed demographic and other performance context information for the assessment area.

## **LENDING TEST**

### **Conclusions for the Philadelphia Multistate MSA**

The bank's performance under the lending test in the Philadelphia Multistate MSA is rated "High Satisfactory."

### **Lending Activity**

Refer to Table 1 of Appendix D for the facts and data used to evaluate PNC's lending activity. Lending activity in this assessment area represents an excellent level of responsiveness to community credit needs.

In this assessment area, PNC originated and purchased about 50,200 loans totaling about \$3.9 billion during the evaluation period. By number of originations, 77% were HMDA reportable home loans and 23% were small loans to businesses. Home purchase loans comprise 25%, home improvement loans 25%, and home refinance loans 50% of HMDA reportable loans. The volume of community development loans had a moderately positive impact on lending activity performance.

PNC ranks 2<sup>nd</sup> in the assessment area for deposit market share with 13.1% of deposits per the June 30, 2001 FDIC Deposit Market Share Report. Per 2000 HMDA market share data, PNC ranked 7<sup>th</sup> with a 2.6% share for home purchase loans by number. PNC's rank for home improvement loans was 1<sup>st</sup> with an 8.4% share and 1<sup>st</sup> with a 7.7% share for home refinance loans. Performance is noteworthy for home mortgage loans in consideration of the levels of competition in home purchase and refinancing lending where there are hundreds of lenders including numerous non-depository institutions.

PNC has a rank of 9<sup>th</sup>, with 2.4% of the market, by number of originations for small loans to businesses in the assessment area. The performance is good in light of competition from large lenders that provide small business credit cards. The top 6 lenders provided 70% of loans by number, but only 13% of loans by dollar amount. By dollar amount, PNC ranks 2<sup>nd</sup> although its market share of 8.7% remains somewhat less than its deposit market share. PNC obtains 21.3% of its small loans to businesses from this market, compared to 22.3% of its deposits.

The sale of PNC Mortgage reduced the volume of home purchase and refinance loans beginning with 2001 data. PNC's lending strategy now emphasizes home improvement and small business lending. However, PNC continues to offer an affordable home purchase loan, which it has identified as a community credit need.

### **Distribution of Loans by Income Level of the Geography**

The overall geographic distribution of the bank's lending is good in the Philadelphia assessment area.

#### Home Mortgage Loans

Refer to Tables 2, 3, and 4 of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loans originations/purchases. The overall geographic distribution of home mortgage loans is good.

PNC's geographic distribution of home purchase loans is excellent in this assessment area. The percentage of home purchase loans made in low-income census tracts significantly exceeded the percentage of owner-occupied units in these geographies, and the percentage of home purchase loans exceeded the percentage of owner-occupied housing in moderate-income tracts. PNC's market shares in both low- and moderate-income geographies were significantly greater than its overall market share in the assessment area.

PNC's geographic distribution of home improvement loans is good in the Philadelphia assessment area. The percentage of home improvement loans in low-income geographies is somewhat less than the percentage of owner-occupied housing. In moderate-income geographies, the percentage of home improvement loans is somewhat less than the percentage of owner-occupied housing. However, PNC's market share in both low- and moderate-income geographies is greater than its overall market share.

PNC's geographic distribution of home refinance loans is poor in this assessment area. The percentage of home refinance loans in both low- and moderate-income geographies was significantly less than the percentage of owner-occupied housing. PNC's market shares in both low- and moderate-income geographies were also significantly less than the bank's overall market share in the assessment area.

#### Small Loans to Businesses

Refer to Table 6 of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination and purchase of small loans to businesses.

PNC's geographic distribution of small loans to businesses is excellent. The percentage of small loans to businesses in both low- and moderate-income geographies is comparable to the percentage of small businesses in these geographies. PNC's market share of small loans to businesses in both low- and moderate-income geographies was significantly greater than its overall market share.

## **Lending Gap Analysis**

Home mortgage and small business lending were evaluated using mapping and other techniques. No significant or unexplained gaps were revealed.

## **Inside/Outside Ratio**

PNC originates a majority of its loans from within its assessment areas. In the Philadelphia multistate area, over 95% of home purchase, improvement, refinance and small business lending originated from inside the assessment area. The analysis does not include extensions of credit made by bank affiliates.

## **Distribution of Loans by Income Level of the Borrower**

The overall borrower distribution of the bank's lending is good in the Philadelphia assessment area.

### Home Mortgage Loans

Refer to Tables 8, 9, and 10 of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases. The overall borrower distribution of home mortgage loans is good in the assessment area.

PNC's distribution of home purchase loans to low- and moderate-income borrowers in this assessment area is excellent. The percentage of home purchase loans to both low- and moderate-income borrowers significantly exceeded the percentage of low-income and moderate-income families in the assessment area. PNC's market share among low-income borrowers also significantly exceeded its overall market share, but among moderate-income borrowers PNC's market share was significantly less than its overall market share.

PNC's distribution of home improvement loans to low- and moderate-income borrowers is good in this assessment area. The percentage of home improvement loans to low-income borrowers was significantly less than the percentage of low-income families. However, the percentage of such loans to moderate-income borrowers exceeded the percentage of moderate-income families. PNC's market share among both low- and moderate-income borrowers was comparable to its overall market share.

PNC's distribution of home refinance loans to low- and moderate-income borrowers is adequate in this assessment area. The percentage of home refinance loans among low-income borrowers was significantly less than the percentage of low-income families. However, the percentage of such loans to moderate-income borrowers was near to the percentage of moderate-income families. There is a similar pattern reflected in the market share figures, as PNC's market share among low-income borrowers is significantly less than its overall market share, and moderate-income borrower market share is somewhat less than the overall market share.

### Small Loans to Businesses

Refer to Table 11 of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses. The distribution of small loans to businesses is adequate.

Loans to small businesses comprised 35.0% of all business loans. This percentage is skewed lower because the loan population includes many businesses for which revenue is unknown. Recalculating the percentage based only on loans for which business revenue is known, loans to small businesses increase to 51.7%. This is less than the 84.4% of businesses in the assessment area that have revenues of \$1 million or less. Nevertheless, PNC's market share among small businesses evidences the bank's practice of lending to small businesses, as it was 1.7 times greater than its market share among businesses of all sizes. Furthermore, PNC also targets small businesses with its loan programs that waive revenue information.

### **Community Development Lending**

Refer to Table 1 in Appendix D for the facts and data used to evaluate the bank's level of community development lending.

Community development lending had a positive impact on the lending test conclusion for the Philadelphia assessment area. PNC originated 89 community development loans to 50 borrowers totaling \$28.4 million during the evaluation period. Community Development lending activity is considered good as it addresses a broad array of community needs. The dollar volume of Community Development loans represents 2.7% of the bank's allocated Tier 1 Capital attributed to the Philadelphia assessment area. Community development lending opportunities in the area are high.

The bank's CD loans are responsive to the needs of the assessment area. Approximately, 54% of the community development lending total addressed affordable housing, an identified community credit need. A large number of the community development loans were also made to a various non-profit organizations that provide needed community development services to low- and moderate- income individuals and families. Among the loan recipients were half a dozen local community development corporations whose activities and projects benefited from PNC loans. Several of the bank's community development loans were complex in nature, as their structuring required co-ordination of multiple lenders, community organizations and government.

The following are examples of community development loans.

- PNC provided \$1.5 million in financing for the development of a supermarket to help revitalize a low- and moderate-income Philadelphia neighborhood that had no grocery stores. The project was a collaborative effort with funding by a local community development corporation, the City of Philadelphia, LISC and PNC.
- PNC provided a \$2 million line of credit to Collaborative Lending Initiative, a Community Development Financial Institution that lends money to developers of affordable housing.



- PNC provided a line of credit to the Philadelphia Chinatown Development Corporation for Phase II of their affordable housing development.

In addition, PNC has made numerous loans in the assessment area that were reported as small loans to businesses but have community development characteristics. These loans contributed meaningfully to the bank's community development lending efforts. An example of this is:

- PNC provided a \$400 thousand loan to North Camden Community Builders. This company is a for-profit subsidiary of the North Camden Land Trust. The business seeks to improve the local community while generating local employment and job-training opportunities for low- or moderate-income individuals through residential and commercial property rehabilitation and construction.

### **Product Innovation and Flexibility**

Product flexibility had a positive impact on the lending test. PNC has developed bank-wide lending programs that represent flexible efforts to help meet the credit needs of the community. These programs are discussed in the "Product Innovation and Flexibility" section of the Multistate Metropolitan Area Ratings for the Cincinnati assessment area. These programs are available in the Philadelphia assessment area. Information about the number and dollar amount of these loans was available on a bank-wide basis only.

In addition to flexible products offered bank-wide, PNC employs products specific to the Philadelphia assessment area.

- Philadelphia Home Improvement Loan (PHIL): This is a loan program sponsored by the City of Philadelphia to provide affordable home purchase loans to low- and moderate-income for residents of the City of Philadelphia. The borrower can obtain a 3% rate and is required to have no equity. From 1998 to 2001, PNC has originated 233 PHIL loans, which represents 61% of PHIL loans originated by all participating lenders.
- Delaware Valley Home Improvement Loan (DVHL): The program was launched at the end of the review period during September 2001. It seeks to provide affordable and flexible home improvement loans to low- and very low-income homeowners in Delaware and Montgomery Counties in Pennsylvania. Among the benefits for borrowers are a below market interest rate and assistance in selecting and monitoring contractors. PNC was the first bank to participate in the program. Due to the newness of the program, PNC has received only 2 loan applications which have not yet resulted in originations.
- Hurricane Floyd Loans: In response to the damage residents throughout the Philadelphia assessment area incurred from Hurricane Floyd, PNC offered home improvement loans in the fall of 1999 with terms more flexible than under standard PNC products. The loans allowed a lower amount of home equity, a 90-day deferral on the initial payment and a lower rate. The number and dollar amount of originations under this program are not available.

## INVESTMENT TEST

The bank's performance under the investment test in the Philadelphia Multistate MSA is rated "Outstanding." Refer to Table 14 in the Multistate Metropolitan Area section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

The level of qualified investments is excellent and considered responsive to the community's needs. In the Philadelphia assessment area there were 443 qualified investments: 30 investments and 404 grants totaling \$52 million and \$5 million respectively, plus nine additional investments totaling \$2 million allocated to the assessment area to reflect investments that cover larger regional areas that include the Philadelphia marketplace. Of the total investment dollars, over 80% were made during the current evaluation period. The remainder is investments from prior to the evaluation period that are still outstanding. Investment opportunities in the area are high.

PNC uses a variety of investments to meet the area's credit and service needs. These include LIHTC, investments in community credit unions, economic development organizations, SBICs and small business loans funds, grants and PRI investments, and school district bonds. Of the total investment dollars, a little more than one-half was directed toward affordable housing, primarily through LIHTCs. For reasons discussed earlier in this document, LIHTCs are considered to be complex investments. PNC also made a significant investment, \$22.5 million, in Philadelphia School District Qualified Zone Academy Bonds (QZAB). The QZAB program allows special tax credits to organizations that provide financing to improve school facilities and education efforts in low and moderate-income areas targeted for economic improvement. Deficiencies in the Philadelphia School District are recognized as being an obstacle in meeting the needs of the city and its residents.

The following are some other examples of PNC's Community development investments in the Philadelphia assessment area:

- PNC provided a \$5.9 million LIHTC investment to create 544 units of affordable rental housing in Camden, N.J.
- PNC continues to support the Norris Civic Association through the Pennsylvania Neighborhood Assistance Program. Now in its eighth year, current period contributions of \$750 thousand are part of PNC's 10 year \$2.5 million commitment. Through this program PNC earns tax credits by sponsoring an organization whose programs must serve low-income clients and residents of economically distressed neighborhoods. The substantial size of the contributions over an extended period of time provides the local community development group the financial strength, flexibility and stability it needs to better plan and execute meaningful development programs. In addition to the financial support, PNC works closely with the organization to provide additional technical and educational assistance as well as in-kind donations.

- PNC invested \$1 million in a large CDFI in support of its affordable housing programs in the Philadelphia area. This investment is in addition to the over \$2 million worth of investments made by PNC prior to the evaluation program that still exists. Most of these funds were used to support housing and small business financing programs in the Philadelphia area.

## **SERVICE TEST**

The bank's performance under the service test in the Philadelphia Multistate MSA is rated "Outstanding."

### **Retail Banking Services**

Refer to Table 15 in the Multistate Metropolitan Area section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

The bank's geographic distribution of branches is significantly enhanced by the availability and effectiveness of alternative systems for delivering retail banking services in low- and moderate-income geographies and the use of services and products tailored to meet the needs of low- and moderate-income individuals. As a result, delivery systems are considered readily accessible to geographies and individuals of different income levels in the assessment area.

In the Philadelphia assessment area, the proportion of PNC's branches in low-income geographies is below the percentage of population living in low-income geographies. The proportion of branches in moderate-income geographies is near to the percentage population living in moderate-income geographies. However, the proximity of PNC branches to low- and moderate-income geographies augments accessibility to PNC's products and services. Among the Pennsylvania counties in the assessment area, 79% of low- and moderate-income geographies are within one mile of a PNC branch. In the New Jersey counties of the assessment area, 64% of low- and moderate-income geographies are within one mile of a PNC branch.

PNC's record of opening and closing branch offices has not adversely affected accessibility of its delivery systems, particularly to low- and moderate-income individuals. The net affect of branch activity is the closure of two branches in moderate-income geographies. Alternative PNC offices are available less than 1.5 miles from each of those branches.

During the evaluation period the bank relocated an outdated office into a newly renovated facility that the bank shares with a community development credit union. This unique arrangement is discussed further under community development services. The office is located in a low-income area and the shared location provides area resident's access to a broad choice of financial services to meet their needs. The arrangement has been publicly praised by community organizations, and according to bank management, it is the only banking facility in this area of North Philadelphia.

Branch hours are consistent with the bank's overall branching network with some branch hours tailored to individual communities, including low- and moderate-income communities. Current branch hours do not vary in a way that inconveniences the assessment area, particularly low- and moderate-income individuals.

Alternative delivery systems, including the bank's ATM network and telephone access, are available in all geographies. According to an internal analysis provided by the bank, household usage of these alternative delivery systems in low- and moderate-income geographies is greater than activity in middle- and upper-income geographies.

ATMs, as an alternative delivery channel, enhance the ability of persons in low- and moderate-income areas to access and utilize bank services. Thirty-nine percent of ATMs located in low-income geographies and 40% of ATMs in moderate-income geographies are deposit accepting, full-service machines. This compares favorably to the availability of full-service ATMs in middle- and upper-income geographies. Furthermore, the majority of full-service ATMs located in the Pennsylvania portion of low- and moderate-income geographies are specially equipped and can cash checks for the exact-amount; thus providing users greater teller-like service capabilities. During the review period, the bank expanded the availability of ATM service in all geographies, including low- and moderate-income geographies. A net total of twelve ATMs were opened in low-income geographies and sixteen ATMs in moderate-income geographies. The bank has also added four ATMs in and around the downtown Philadelphia area and educational campuses that have no income classification, but are readily accessible to low- and moderate-income geographies.

Traditional banking services are available to consumer and business customers at all branch locations. The bank offers a wide variety of deposit services and loan products including an internally developed product line known as "Primary Access" that targets the financial needs of low- and moderate-income individuals. The "Primary Access" suite of products is primarily marketed through PNC's thirteen "Development Bank" branches in the assessment area that are described below. The program includes a range of deposit products including checking, savings, and CD's as well as personal and mortgage loans. The remaining thirteen low- and moderate-income branches that are not specifically managed under the Development Bank program also carry the "Primary Access" suite of products.

### **Community Development Services**

PNC has taken a strong leadership role and provides an excellent level of community development services to low- and moderate-income geographies through its Development Bank program. Under this program, the bank has dedicated time, money, and human resources to assess and meet the financial and community development needs of low- and moderate-income geographies. The program includes a staff of community development experts and is overseen by a senior bank officer and an advisory board.

The Development Bank was established in January 2000 and offers a range of banking products and services that are tailored to the needs of low- and moderate-income individuals and

geographies. Products such as a linked, low cost checking and savings account help to meet the need to promote money management and savings. A "checkless" checking account is offered to individuals with the express goal of reestablishing a checking account, and secured, small dollar consumer loans are offered to establish credit. In addition, the program aggressively promotes financial literacy education and money-management techniques to low- and moderate-income individuals in and around the targeted low- and moderate-income geographies. The bank developed and implemented a series of educational seminars focused on budgeting, banking, and homeownership. All research and implementation costs are borne by the bank. Participants are provided classroom materials during the courses and may retain those materials upon completion of the class. Making available childcare services and providing light meals further encourages participation. During 2001 over \$85 thousand was spent on classroom materials and related costs of these programs throughout the PNC market, including the Philadelphia assessment area.

PNC has used the research and information gathered from the Philadelphia Development Bank program to expand its capability to meet the financial and community development needs in other assessment areas. An identical program was initiated in October 2001 in northern New Jersey.

The bank also provides an excellent level of community development services that target low- and moderate- income individuals and geographies in the Philadelphia assessment area. PNC staff and management actively participate in numerous economic development and revitalization organizations, provide financial expertise to community organizations benefiting low- and moderate-income individuals and geographies, conduct financial training and affordable housing workshops, and contribute technical expertise for small business and nonprofits, including micro-loan groups. For example, during the review period, the bank provided:

- Ninety-six workshops and seminars relating to affordable housing both within the context of the Development Bank and beyond;
- One hundred sixty-seven basic financial education courses both within the context of the Development Bank and beyond;
- Technical assistance to non-profit groups on forty occasions; and
- Loan review and credit expertise to numerous small business groups, non-profit organizations, and credit counseling services that target low- and moderate-income geographies and individuals.
- Sponsoring assistance to secure FHLB funding for affordable housing development. During the review period over \$3.4 million in funding and over 500 housing units were provided through this service. In addition, future commitments have been obtained for an additional \$2.7 million to add 200 housing units.

Highlights of the bank's specific involvement in CD services within the assessment area include:

- PNC entered into a unique and innovative partnership with People for People, Inc (POP). POP is a Philadelphia based non-profit organization that delivers financial services to low- and moderate-income individuals and families in North Philadelphia. In August 2000, the community based POP Credit Union and a full service, "state of the art" PNC bank branch opened in a shared facility in a low-income geography in North Philadelphia. PNC performed the building renovation and provided initial set-up and

technical assistance to the credit union. PNC continues to assist the credit union, providing ongoing financial technical backroom support and assistance. The bank also works with the credit union to promote and provide financial literacy education and referrals of customers to each other.

- A PNC staff member took a leadership role in bring together representatives from public entities - the Camden City Empowerment Zone, the City of Camden, Camden School Administration, and the Workforce Investment Board of Camden County - to develop strategies to enable city businesses to take advantage of programs under the Regional City Program. The Regional City Program provides Camden employers with tax credits for hiring individuals from public assistance or City of Camden residents. Barriers were noted regarding the limited availability of skilled workers for the program and a bank employee initiated the development of the "Greater Workforce Partnership." The group develops strategies to identify the skills needed and works to provide the necessary training to increase employment and promote job creation and entry level employment in these low- and moderate-income geographies.

The bank has worked with a variety of community groups to coordinate and fund financial literacy and homebuyer workshops including, but not limited to ACORN, West Oak Lane CDC, and St Joseph's Carpenter Society. These workshops focus on affordable housing in low- and moderate-income geographies and to low- and moderate-income individuals. During the review period over \$50 thousand in bank funding was utilized and over 100 individuals were graduated from these workshops.

## State of Florida Rating

### **CRA Rating for the State of Florida: Satisfactory**

**The lending test is rated: Low Satisfactory**

**The investment test is rated: Outstanding**

**The service test is rated: Low Satisfactory**

The major factors that support this rating include:

- A good volume of home mortgage lending and an adequate volume of small business lending throughout the assessment area.
- A poor geographic distribution of home mortgage loans.
- An adequate borrower distribution of home mortgage loans.
- Community development lending had a positive impact on the lending test.
- An excellent level of qualified community development investments.
- Service delivery systems are reasonably accessible to geographies and individuals of different income levels.

## **Description of Institution's Operations in Florida**

PNC has two assessment areas within Florida. They are the Naples MSA and the Indian River County Non-MSA areas. As of our examination date, PNC had 2 branches in the State of Florida. PNC derives 0.1% of its deposits from the State of Florida.

Refer to the Market Profile for Florida in Appendix C for detailed demographic and other performance context information for the assessment area that received a full-scope review.

## **Scope of Evaluation in Florida**

We selected the Naples assessment area for a full-scope review. This area contains 12% of PNC's \$38.7 million in deposits within the state. It was selected due to its larger population base and low- and moderate-income geographies. The other assessment area received a limited-scope review. Refer to the Scope of the Evaluation table in Appendix A for more information.

## **LENDING TEST**

### **Conclusions for Area Receiving Full-Scope Reviews**

The bank's performance under the lending test in Florida is rated "Low Satisfactory." Based on a full-scope review, PNC's performance is adequate in the Naples assessment area.

### **Lending Activity**

Refer to Table 1 of Appendix D for the facts and data used to evaluate PNC's lending activity. Lending activity in the Naples assessment area represents a good level of responsiveness to community credit needs.

In this assessment area, PNC originated and purchased about 394 loans totaling about \$87 million during the evaluation period. By number of originations, 99% were HMDA reportable home loans and 1% were small loans to businesses. Home purchase loans comprise 69%, with 2% for home improvement loans and 29% for home refinance loans. The volume of community development loans had a positive impact on lending activity performance.

PNC has a rank of 30, out of 31, in the assessment area for deposit market share with 0.1% of deposits per the June 30, 2001 FDIC Deposit Market Share Report. Per 2000 HMDA market share data, PNC ranked 69<sup>th</sup> with a 0.2% share for home purchase loans by number. PNC's rank for home improvement loans was 29<sup>th</sup> with a 0.4% share and 65<sup>th</sup> with a 0.3% share for home refinance loans. While PNC's share of the home mortgage loan market is small, it is comparable to the bank's deposit share.

PNC only made 3 small loans to businesses in the assessment area. The performance is adequate. A more negative assessment of the bank's performance was not warranted, as the Florida operation was formerly a thrift subsidiary of PNC Financial during much of the



evaluation period. As such, its business strategy did not include small business lending prior to the merger with PNC in November 2000.

The sale of PNC Mortgage reduced the volume of home purchase and refinance loans beginning with 2001 data. PNC's lending strategy now emphasizes home improvement and small business lending. However, PNC continues to offer an affordable home purchase loan, which it has identified as a community credit need.

### **Distribution of Loans by Income Level of the Geography**

The overall geographic distribution of the bank's lending is poor in the Naples assessment area.

As PNC's market share is very small in the assessment area, a valid market share analysis was not possible. Furthermore, the bank originated only 7 home improvement loans and 3 small business loans during the evaluation period. The small volume of loans precluded a valid geographic distribution analysis for these loan types.

#### Home Mortgage Loans

Refer to Tables 2, 3 and 4 of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loans originations/purchases. The overall geographic distribution of home mortgage loans is poor in the Naples assessment area.

PNC's geographic distribution of home purchase loans is poor in the Naples assessment area. The bank made no home purchase loans in low-income census tracts. In moderate-income geographies, the percentage of home purchase loans made was significantly less than the percentage of owner-occupied units in these geographies.

PNC's geographic distribution of home refinance loans is poor in the Naples assessment area. There were no home refinance loans made in low-income areas, and in moderate-income areas the level of lending was significantly below the level of owner-occupied housing.

### **Lending Gap Analysis**

Home mortgage and small business lending were evaluated using mapping and other techniques. No significant or unexplained gaps were revealed.

### **Inside/Outside Ratio**

PNC originated a low percentage of its loans from within its assessment areas in the State of Florida. Current and discontinued nationwide loan programs generated a greater volume of home purchase, improvement and refinance loan originations throughout Florida compared to originations produced through PNC's small physical presence in the state. The small number of small business originations does not permit a meaningful analysis.

## **Distribution of Loans by Income Level of the Borrower**

The overall borrower distribution of the bank's lending is adequate in the Naples assessment area.

As PNC's market share is very small in the assessment area, a valid market share analysis was not possible. Furthermore, the bank originated only 7 home improvement loans and 3 small business loans during the evaluation period. The small volume of loans precluded a valid borrower distribution analysis for these loan types.

### Home Mortgage Loans

Refer to Tables 8, 9 and 10 of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases. The overall borrower distribution of home mortgage loans is adequate in this assessment area.

PNC's distribution of home purchase loans to low- and moderate-income borrowers in the Naples assessment areas is adequate. The percentage of home purchase loans to low-income borrowers was significantly less than the percentage of low-income families in the assessment area. However, the percentage of home purchase loans to moderate-income borrowers significantly exceeded the percentage of moderate-income families.

PNC's distribution of home refinance loans to low- and moderate-income borrowers is adequate in the Naples assessment area. The percentage of home refinance loans among low-income borrowers was significantly less than the percentage of low-income families. However, the percentage of such loans to moderate-income borrowers exceeded the percentage of moderate-income families.

## **Community Development Lending**

Refer to Table 1 in Appendix D for the facts and data used to evaluate the bank's level of community development lending.

Community development lending had a positive impact on the lending test conclusion for the Naples assessment area. PNC originated 2 community development loans totaling \$4.9 million during the evaluation period. CD lending activity is considered excellent given the bank's small size and market presence in this area. The dollar volume of CD loans represents 938% of the bank's allocated Tier 1 Capital attributed to the Naples' assessment area. Community development lending opportunities are limited. Government backed affordable housing activity is the most common community development opportunity available.

In addition to addressing the needs of the Naples assessment area, PNC has made four community development loans elsewhere in the State of Florida that provide affordable housing to low and moderate income residents. These loans total over \$20 million and are considered under Community Development lending because the bank has adequately addressed the needs of its assessment areas.

In the Naples assessment area, the following is an example of PNC's CD lending:

- PNC provided \$4.8 million of construction financing to create 165 units of affordable housing to families with incomes below 60% of the area's median family income. The financial structure of the project is complex as it also involves multiple forms of support and financing including LIHTC equity support, a loan from the Florida Housing Finance Corporation and tax-exempt bond financing.

### **Product Innovation and Flexibility**

As the bank has not utilized flexible or innovative products during this review period, product innovation and flexibility had no impact on the assessment area's performance.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the lending test in Indian River County is not inconsistent with the bank's overall "Low Satisfactory" performance under the lending test for Florida. Refer to the Tables 1 through 11 in Appendix D for the facts and data that support these conclusions.

### **INVESTMENT TEST**

Refer to Table 14 in the Florida section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments. PNC's performance under the investment test in the State of Florida is rated "Outstanding." Based on full-scope reviews, the bank's performance is excellent in the Naples assessment area.

In the Naples assessment area PNC made 3 qualified investments totaling \$10.4 million during the evaluation period. This is an excellent level of investment given the bank's small presence in this market and limited investment opportunities available. In addition, there are 8 PNC investments that benefit the broader statewide region of Florida, including the bank's assessment areas. These total \$2.9 million and represent mortgages to low or moderate-income persons or areas, or financial support to organizations that provide affordable housing. We did not identify any of the investments as complex or innovative.

In the Naples assessment area, the following is an example of PNC's CD investments:

- Through a LIHTC fund, PNC invested over \$9 million in two rental housing developments that will provide affordable housing to low-income families.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on a limited-scope review, the bank's performance under the investment test in the Indian River area is not inconsistent with the bank's overall "Outstanding" performance under the investment test in Florida.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Review**

The bank's performance under the service test in Florida is rated "Low Satisfactory." Based on full-scope reviews, the bank's performance in the Naples assessment area is adequate.

### **Retail Banking Services**

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

In the context of the bank's limited market presence, delivery systems are reasonably accessible to geographies and individuals of different income levels in the assessment area. The bank operates one branch in the Naples assessment area. Its location on the major north/south US Route provides reasonable access to the largest concentration of the assessment area's population. The branch is in an upper-income geography.

PNC's record of opening and closing branch offices has not adversely affected accessibility of its delivery systems, particularly to low- and moderate-income individuals. During the review period the bank did not open or close any new branches.

The bank maintains one ATM in the assessment area that is located in the Naples branch office. No ATMs were opened or closed during the review period.

Traditional banking services are available to consumer and business customers at the single branch to service to the bank's limited customer base. Alternative delivery systems also exist, but as their impact on providing retail banking services to low- and moderate-income persons in this market is uncertain, their availability was not weighted heavily as part of the service test evaluation.

### **Community Development Services**

PNC provides an adequate level of community development services that target low- and moderate-income individuals and geographies in the Naples assessment area. PNC staff and management participate in economic development and revitalization organizations, provide financial expertise to community organizations benefiting low- and moderate-income individuals and geographies, conduct affordable housing workshops, and contribute technical expertise for small business and nonprofits. For example, during the review period, the bank conducted two seminars on affordable housing, participated with two economic development agencies, and provided expertise to one non-profit organization.

### **Conclusions for Areas Receiving Limited Scope Reviews**

Based on limited-scope reviews, the bank's performance under the service test in the non-metropolitan Indian River assessment area is not inconsistent with the bank's overall "Low Satisfactory" performance under the service test in Florida. Refer to Table 15 in the State of Florida section of appendix D for the facts and data that support these conclusions.

## State of Kentucky Rating

**CRA Rating for the State of Kentucky: Satisfactory**

**The lending test is rated: High Satisfactory**

**The investment test is rated: Outstanding**

**The service test is rated: Low Satisfactory**

The major factors that support this rating include:

- A good volume of home mortgage lending and small business lending.
- An adequate geographic distribution of home mortgage loans and an excellent distribution of small business loans.
- A good borrower distribution of home mortgage loans and an adequate distribution of small business loans.
- An excellent level of qualified community development investments.
- Service delivery systems are reasonably accessible to geographies and individuals of different income levels.

## **Description of Institution's Operations in Kentucky**

PNC has two assessment areas in Kentucky. These are Fayette County in the Lexington MSA, and Hardin County, which is located in a portion of the state not included in any MSA. The Kentucky portions of the Cincinnati Multistate CMSA and the Louisville Multistate MSA in which PNC conducts operations are evaluated as part of those two geographic entities and are not considered as part of this State of Kentucky evaluation. As of our examination date, PNC had 8 branches in the State of Kentucky, excluding those in the Cincinnati and/or Louisville multistate areas. PNC derives 0.5% of its deposits from the State of Kentucky.

Refer to the Market Profiles for Kentucky in Appendix C for detailed demographic and other performance context information for assessment areas that received full-scope reviews.

## **Scope of Evaluation in Kentucky**

We selected the Lexington assessment area for full-scope review. This area contains 48% of PNC's \$224 million in deposits within the state. The Hardin County assessment area received a limited-scope review. Refer to the Scope of the Evaluation table in Appendix A for additional information.

## **LENDING TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the lending test in Kentucky is rated "High Satisfactory." Based on a full-scope review, PNC's performance is good in the Lexington assessment area.

### **Lending Activity**

Refer to Table 1 of Appendix D for the facts and data used to evaluate PNC's lending activity. Lending activity in the Lexington assessment area represents a good level of responsiveness to community credit needs.

In this assessment area, PNC originated and purchased about 1,700 loans totaling about \$129 million during the evaluation period. By number of originations, 86% were HMDA reportable home loans and 14% were small loans to businesses. Home purchase loans comprise 37%, with 14% for home improvement loans and 49% for home refinance loans. The volume of community development loans had no impact on lending activity performance.

PNC has a rank of 18<sup>th</sup> in the assessment area for deposit market share with 1.9% of deposits per the June 30, 2001 FDIC Deposit Market Share Report. Per 2000 HMDA market share data, PNC ranked 16<sup>th</sup> with a 2.1% share for home purchase loans by number. PNC's rank for home improvement loans was 4<sup>th</sup> with an 8.4% share and 3<sup>rd</sup> with a 4.8% share for home refinance loans. Performance is noteworthy for home refinancing loans in consideration of the fragmented

nature of home purchase and refinancing lending where there are hundreds of lenders including numerous non-depository institutions.

PNC has a rank of 23<sup>rd</sup>, with 0.7% of the market, by number of originations for small loans to businesses in the assessment area, somewhat less than its deposit rank and market share. By dollar amount, PNC's ranks 11<sup>th</sup> with a market share of 1.5%. The more favorable rank by dollar amount is the result of several credit card lenders that rank lower by dollar amount, as they provide a large number of loans for very small amounts. PNC obtains 0.4% of its small loans to businesses from this market, and a comparable 0.3% of its deposits are from this market.

The sale of PNC Mortgage reduced the volume of home purchase and refinance loans beginning with 2001 data. PNC's lending strategy now emphasizes home improvement and small business lending. However, PNC continues to offer an affordable home purchase loan, which it has identified as a community credit need.

### **Distribution of Loans by Income Level of the Geography**

The overall geographic distribution of the bank's lending is good in this assessment area.

#### Home Mortgage Loans

Refer to Tables 2, 3, and 4 of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loans originations/purchases. The overall geographic distribution of home mortgage loans is adequate in the Lexington assessment area.

PNC's geographic distribution of home purchase loans is adequate. The percentage of home purchase loans made in both low- and moderate-income census tracts was less than the percentage of owner-occupied units in these geographies. However, PNC's market share in both low- and moderate-income geographies is comparable to its overall market share in the assessment area.

PNC's geographic distribution of home improvement loans is adequate in the Lexington assessment area. The percentage of home improvement loans in low-income geographies is significantly less than the percentage of owner-occupied housing. In moderate-income geographies the percentage of owner-occupied housing is somewhat less than the percentage of owner-occupied housing. The bank had no market share in low-income geographies; however, the bank's market share in moderate-income geographies was comparable to its overall market share.

PNC's geographic distribution of home refinance loans is poor in this assessment area. The percentage of home refinance loans in both low- and moderate-income geographies was significantly less than the percentage of owner-occupied housing. PNC's market shares in both low- and moderate-income geographies were also significantly less than the bank's overall market share.



### Small Loans to Businesses

Refer to Table 6 of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination and purchase of small loans to businesses.

PNC's geographic distribution of small loans to businesses is excellent in the Lexington assessment area. The percentage of small loans to businesses in low-income geographies was near to the percentage of small businesses. The percentage of small loans to businesses in moderate-income geographies exceeded the percentage of small businesses. PNC's market share of small loans to businesses in both low- and moderate-income geographies exceeded its overall market share.

### **Lending Gap Analysis**

Home mortgage and small business lending were evaluated using mapping and other techniques. No significant or unexplained gaps were revealed.

### **Inside/Outside Ratio**

PNC originates a majority of its loans from within its assessment areas. In the State of Kentucky, over 80% of home purchase, improvement, refinance and small business lending originated from inside the assessment area. The analysis does not include extensions of credit made by bank affiliates.

### **Distribution of Loans by Income Level of the Borrower**

The overall borrower distribution of the bank's lending is good in the Lexington assessment area.

### Home Mortgage Loans

Refer to Tables 8, 9 and 10 of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases. The overall borrower distribution of home mortgage loans is good in the Lexington assessment area.

PNC's distribution of home purchase loans to low- and moderate-income borrowers in this assessment area is excellent. The percentages of home purchase loans to both low- and moderate-income borrowers significantly exceeded the percentages of low- and moderate-income families. Likewise, PNC's market share of home purchase loans among both low- and moderate-income borrowers exceeded its overall market share.

PNC's distribution of home improvement loans to low- and moderate-income borrowers is adequate in the Lexington assessment area. The percentage of home improvement loans to low-income borrowers was significantly less than the percentage of low-income families. However, the percentage of such loans to moderate-income borrowers exceeded the percentage of moderate-income families. Among both low- and moderate-income borrowers, PNC's home improvement market share was significantly less than its overall market share.

PNC's distribution of home refinance loans to low- and moderate-income borrowers is adequate in this assessment area. The percentage of home refinance loans among low-income borrowers was significantly less than the percentage of low-income families. However, the percentage of such loans to moderate-income borrowers was near to the percentage of moderate-income families. PNC's market share among low-income borrowers was significantly less than its overall market share, and moderate-income borrower market share was less than overall share.

#### Small Loans to Businesses

Refer to Table 11 of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses. The distribution of small loans to businesses is adequate for the Lexington areas.

Loans to small businesses comprised 43.7% of all business loans. This percentage is skewed lower because the loan population includes many businesses for which revenue is unknown. Recalculating the percentage based only on loans for which business revenue is known, loans to small businesses increase to 62.0%. This is somewhat less than the 85.9% of businesses in the assessment area that have revenues of \$1 million or less. Nevertheless, PNC's market share among small businesses exceeded its market share among businesses of all sizes and evidences the bank's practice of lending to small businesses. Furthermore, PNC also targets small businesses with its loan programs that waive revenue information.

#### **Community Development Lending**

Refer to Table 1 in the State of Kentucky section of Appendix D for the facts and data used to evaluate the bank's level of community development lending.

As the bank did not originate any community development loans during this review period, community development lending had no impact on the assessment area's evaluation.

#### **Product Innovation and Flexibility**

Product flexibility had a positive impact on the lending test. PNC has developed bank-wide lending programs that represent flexible efforts to help meet the credit needs of the community. These programs are discussed in the "Product Innovation and Flexibility" section of the Multistate Metropolitan Area Ratings for the Cincinnati assessment area. These programs are available in the Lexington assessment area. Information about the number and dollar amount of these loans was available on a bank-wide basis only.

#### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the lending test in Hardin County is not inconsistent with the bank's overall "High Satisfactory" performance under the lending

test for Kentucky. Refer to the Tables 1 through 11 in Appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

Refer to Table 14 in the Kentucky section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments. PNC's performance under the investment test in the State of Kentucky is rated "Outstanding." Based on full-scope reviews, the bank's performance is excellent in the Lexington assessment area.

In the Lexington assessment area, PNC made 2 LIHTC investments and 8 qualifying grants totaling \$1.5 million during the evaluation period. In addition, two LIHTC investments made prior to the evaluation period remain outstanding for an additional \$1.2 million. The level of investments is excellent given the bank's small presence in this area and the limited investment opportunities available within the market. As previously described, LIHTC investments are considered to be complex. The bank's grants were targeted toward organizations that foster homeownership and provide credit counseling to area residents, including low and moderate-income persons.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on a limited-scope review, the bank's performance under the investment test in the Hardin County non-MSA is not inconsistent with the bank's overall "Outstanding" performance under the investment test in Kentucky.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Review**

The bank's performance under the service test in Kentucky is rated "Low Satisfactory." Based on full-scope reviews, the bank's performance in the Lexington assessment area is adequate.

### **Retail Banking Services**

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

Delivery systems are reasonably accessible to geographies and individuals of different income levels in the assessment area.

In the Lexington assessment area, PNC has no branches among the four low-income geographies. Nevertheless, the proportion of branches in moderate-income geographies exceeds the percentage of population living in moderate-income geographies. The absence of a low-income geography branch is mitigated by the bank's strong presence in moderate-income geographies and that the assessment area contains relatively few low-income geographies.

PNC's record of opening and closing branch offices has not adversely affected accessibility of its delivery systems, particularly to low- and moderate-income individuals. During the review period the bank did not open or close any branches. However, two branches in moderate-income geographies were sold.

Branch hours are consistent with the bank's overall branching network with some branch hours tailored to individual communities, including low- and moderate-income communities. Current branch hours do not vary in a way that inconveniences the assessment area, particularly low- and moderate-income individuals. Alternative delivery systems, including the bank's ATM network and telephone banking, are available in all geographies. According to an internal analysis provided by the bank, alternative delivery usage in low- and moderate-income geographies is comparable or greater than activity in middle- and upper-income geographies.

ATMs provide a reasonable alternative delivery channel that helps to supplement branches in the accessibility of PNC products and services to persons in low- and moderate-income geographies. The percentage of ATMs in low-income geographies is comparable to the percentage of population in low-income geographies, and the proportion of ATMs in moderate-income geographies greatly exceeds the percentage of the population living in these geographies. While ATMs in the assessment area are predominately cash only facilities, the percentage ATMs that are full service and located in either low- and moderate-income geographies equal or exceeds the corresponding population percentages. No ATMs were opened or closed in low- and moderate-income geographies during the review period.

Traditional banking services are available to consumer and business customers at all branch locations. Deposit services and loan products are varied and range from low or no cost checking accounts that serve basic customer financial needs to home mortgages that target low- and moderate-income first time home buyers.

### **Community Development Services**

The bank provides an adequate level of community development services in the Lexington assessment area. PNC staff and management participate in programs that promote affordable housing in the Lexington assessment area. During the review period three affordable housing seminars were provided that targeted low- and moderate-income individuals.

A PNC bank officer serves on the organizing committee of Resource, Education and Assistance for Community Housing, Inc (REACH). This organization targets low- and moderate-income individuals to provide pre-purchase counseling and support for potential home ownership.

### **Conclusions for Areas Receiving Limited Scope Reviews**

Based on limited-scope reviews, the bank's performance under the service test in the non-metropolitan Hardin County assessment area is not inconsistent with the bank's overall Low Satisfactory performance under the service test in Kentucky. Refer to Table 15 in the State of Kentucky section of appendix D for the facts and data that support these conclusions.

## State of New Jersey Rating

### CRA Rating for the State of New Jersey: Satisfactory

The lending test is rated: High Satisfactory

The investment test is rated: High Satisfactory

The service test is rated: High Satisfactory

The major factors that support this rating include:

- An excellent volume of home mortgage lending and a good volume of small business lending.
- A good geographic distribution of home mortgage loans and an excellent distribution of small business loans.
- A good borrower distribution of home mortgage loans and an adequate distribution of small business loans.
- Community development lending activity had a significant positive impact on the lending test performance for the Newark assessment area.
- A good level of qualified community development investments.
- Service delivery systems are accessible to geographies and individuals of different income levels and a high level of community development services is provided to the area.

## **Description of Institution’s Operations in New Jersey**

PNC has eight assessment areas within New Jersey. The bank’s assessment area includes the entire State of New Jersey. The areas that we included in our review include all eight New Jersey MSA’s in their entirety. They are Atlantic-Cape May, Bergen-Passaic, Jersey City, Middlesex-Somerset-Hunterdon, Monmouth-Ocean, Newark, Trenton and Vineland-Milville. We did not include the New Jersey portion of the Philadelphia multistate MSA, as this is evaluated separately. As of our examination date, PNC had 191 branches in the State of New Jersey, excluding those in the Philadelphia multistate MSA. PNC derives 26% of its deposits from the State of New Jersey.

Refer to the Market Profiles for New Jersey in Appendix C for detailed demographic and other performance context information for assessment areas that received full-scope reviews.

## **Scope of Evaluation in New Jersey**

We selected the Bergen-Passaic and Newark assessment areas for full-scope reviews. These two areas contain 22% and 26%, respectively, of PNC’s \$11.2 billion in deposits within the state. These assessment areas were selected as they represent high concentrations of deposits. Furthermore, both assessment areas have a relatively large proportion of low- and moderate-income census tracts with which to evaluate lending performance. All other assessment areas received limited-scope reviews. Refer to the Scope of the Evaluation table in Appendix A for more information on the names of the counties included in each assessment area.

## **LENDING TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank’s performance under the lending test in New Jersey is rated “High Satisfactory.” Based on full-scope reviews, PNC’s performance is good in the Bergen Passaic assessment area and excellent in the Newark assessment area. A high level of community development lending was a significant positive factor in the overall lending performance in the Newark assessment area. Also factored into the overall New Jersey lending test rating was the determination that the bank’s performance in the limited scope assessment areas was not inconsistent with the “High Satisfactory” lending performance rating.

### **Lending Activity**

Refer to Table 1 of Appendix D for the facts and data used to evaluate PNC’s lending activity. Lending activity in both the Bergen Passaic and Newark assessment areas represent an excellent level of responsiveness to community credit needs.

#### *Bergen Passaic*

In the Bergen Passaic assessment area, PNC originated and purchased about 11,700 loans totaling about \$1.1 billion during the evaluation period. By number of originations, 74% were

HMDA reportable home loans and 26% were small loans to businesses. Home purchase loans comprise 27%, home improvement loans 22%, and home refinance loans 51% of HMDA reportable loans. The volume of community development loans had a positive impact on lending activity performance.

PNC has a rank of 4 in the assessment area for deposit market share with 6.9% of deposits per the June 30, 2001 FDIC Deposit Market Share Report. Per 2000 HMDA market share data, PNC ranked 4<sup>th</sup> with a 3.6% share for home purchase loans by number. PNC's rank for home improvement loans was 3<sup>rd</sup> with an 8.4% share and 1<sup>st</sup> with a 6.7% share for home refinance loans. Performance is noteworthy for home mortgage loans in consideration of the fragmented nature of home purchase and refinancing lending where there are hundreds of lenders including numerous non-depository institutions.

PNC has a rank of 7<sup>th</sup>, with 3.3% of the market, by number of originations for small loans to businesses in the assessment area. The performance is good in light of competition from large lenders that provide small business credit cards. The top 3 lenders provided 63% of loans by number, but only 17% of loans by dollar amount. By dollar amount, PNC's rank of 5<sup>th</sup> and market share of 5.5% are comparable to its deposit rank and market share. PNC obtains 5.68% of its small loans to businesses from the Bergen Passaic market, and a comparable 5.66% of its deposits are from this market.

#### *Newark*

In the Newark assessment area, PNC originated and purchased about 15,700 loans totaling about \$1.4 billion during the evaluation period. By number of originations, 76% were HMDA reportable home loans and 24% were small loans to businesses. Home purchase loans comprise 25% of HMDA home loans. Home improvement loans and home refinance loans comprised 22% and 53%, respectively. The volume of community development loans had a positive impact on lending activity performance.

PNC has a rank of 3 in the assessment area for a deposit market share of 7.8% of deposits per the June 30, 2001 FDIC Deposit Market Share Report. Per 2000 data, PNC ranked 9<sup>th</sup> with a 2.7% market share for home purchase loans by number. PNC's rank for home improvement loans was 1<sup>st</sup> with a 9.7% share, and 1<sup>st</sup> with a 6.3% share for home refinance loans. Although PNC's market share for home purchase and home refinance loans is below that for deposits, its overall performance is excellent in light of the fragmented nature of these markets as described above. The home improvement loan market lacks this competition and shows substantially greater performance.

PNC has a rank of 8<sup>th</sup>, with 3.0% of the market, by number of originations for small loans to businesses in the assessment area. The performance is good in light of competition from large lenders that provide small business credit cards as described above. The top 3 lenders provided 57% of loans by number, but only 13% of loans by dollar amount. By dollar amount, PNC's 4.8% market share is higher, although it retains an 8<sup>th</sup> rank. PNC obtains 6.9% of its small loans to businesses from the Newark market, and a comparable 6.8% of its deposits are from this market.



The sale of PNC Mortgage reduced the volume of home purchase and refinance loans beginning with 2001 data. PNC's lending strategy now emphasizes home improvement and small business lending. However, PNC continues to offer an affordable home purchase loan, which it has identified as a community credit need.

### **Distribution of Loans by Income Level of the Geography**

The overall distribution of the bank's lending is excellent in the Bergen Passaic assessment area and good in the Newark assessment area.

#### Home Mortgage Loans

Refer to Tables 2, 3, and 4 of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loans originations/purchases. The overall geographic distribution of home mortgage loans is excellent in the Bergen Passaic assessment area and adequate in the Newark assessment area.

PNC's geographic distribution of home purchase loans is excellent in the Bergen Passaic assessment area and adequate in the Newark assessment area. In the Bergen Passaic assessment area, the percentage of home purchase loans made in both low- and moderate-income census tracts significantly exceeded the percentage of owner-occupied units in these geographies. Similarly, PNC's market share in low- and moderate-income geographies exceeded its overall market share in the assessment area. In the Newark assessment area, the percentage of home purchase loans in low-income geographies was near to the percentage of owner-occupied housing; however, the moderate-income home purchase percentage was significantly less than owner-occupancy. PNC's market share in low-income geographies was somewhat less than its overall market share. Moderate-income geography market share was less than PNC's overall market share.

PNC's geographic distribution of home improvement loans is excellent in the Bergen Passaic assessment area and good in the Newark assessment area. In the Bergen Passaic assessment area, the percentage of home improvement loans in both low- and moderate-income geographies substantially exceeded the percentage of owner-occupied housing. PNC's market share in low- and moderate-income geographies also significantly exceeded the bank's overall market share. In the Newark assessment area, the percentage of home improvement loans in low-income geographies exceeded owner-occupancy, while such loans in moderate-income geographies were somewhat less than the percentage of owner-occupancy. PNC's market share for Newark shows similar performance. The market share among low-income geographies slightly exceeded PNC's overall market share, while the moderate-income geography share was less than overall market share. Competition from sub-prime lenders was a factor in moderate-income market share.

PNC's geographic distribution of home refinance loans is excellent in the Bergen Passaic assessment area and adequate in the Newark assessment area. In the Bergen Passaic assessment area, the percentage of home refinance loans was significantly greater than the percentage of owner-occupied housing among both low- and moderate-income geographies. PNC's market

shares in low- and moderate-income geographies were also greater than the bank's overall market share in the Bergen Passaic assessment area. In the Newark assessment area, the percentage of home refinance loans in low-income geographies was significantly less than the percentage of owner-occupied housing, and the percentage for moderate-income geographies was less than owner-occupancy. Likewise, the market shares among both low- and moderate-income geographies were well below the bank's overall market share.

#### Small Loans to Businesses

Refer to Table 6 of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination and purchase of small loans to businesses.

PNC's geographic distribution of small loans to businesses is excellent in both the Bergen Passaic and Newark assessment areas. In the Bergen Passaic assessment area, the percentage of small loans to businesses in both low- and moderate-income geographies significantly exceeded the percentage of small businesses in these geographies. Similarly, PNC's market share of small loans to businesses in both low- and moderate-income geographies significantly exceeded its overall market share. In the Newark assessment area, the percentages of low- and moderate-income small business loans within low- and moderate-income geographies were comparable to the percentage of small businesses in these geographies. PNC's market share among low-income geographies exceeded its overall market share, and its moderate-income share was comparable to its overall share.

#### **Lending Gap Analysis**

Home mortgage and small business lending were evaluated using mapping and other techniques. No significant or unexplained gaps were revealed.

#### **Inside/Outside Ratio**

PNC originates a majority of its loans from within its assessment areas. In the State of New Jersey, over 99% of home purchase, improvement, refinance and small business lending originated from inside the assessment area. The analysis does not include extensions of credit made by bank affiliates.

#### **Distribution of Loans by Income Level of the Borrower**

The overall borrower distribution of the bank's lending is good in the Bergen Passaic assessment area and good in the Newark assessment area.

#### Home Mortgage Loans

Refer to Tables 7, 8, and 9 of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases. The overall borrower distribution of home mortgage loans is good in the Bergen Passaic assessment area and good in the Newark assessment area.

PNC's distribution of home purchase loans to low- and moderate-income borrowers in both the Bergen Passaic and Newark assessment areas is good. In the Bergen Passaic assessment area, the percentage of home purchase loans to low-income borrowers was significantly less than the percentage of low-income families in the assessment area. However, the percentage of home purchase loans to moderate-income borrowers significantly exceeded the percentage of moderate-income families. Furthermore, PNC's market share among low-income borrowers was significantly greater than its overall market share. Market share among moderate-income borrowers was comparable to overall share. In the Newark assessment area, the percentage of home purchase loans to low-income borrowers was significantly less than the percentage of low-income families in the assessment area. However, the percentage of such loans to moderate-income borrowers significantly exceeded the percentage of moderate-income families. Furthermore, PNC's market share among low-income borrowers was comparable to its overall market share. The moderate-income borrower market share was somewhat less than overall share.

PNC's distribution of home improvement loans to low- and moderate-income borrowers is good in the Bergen Passaic assessment area and good in the Newark assessment area. In the Bergen Passaic assessment area, the percentage of home improvement loans to low-income borrowers was significantly less than the percentage of low-income families. However, the percentage of such loans to moderate-income borrowers was comparable to the percentage of moderate-income families. Moreover, PNC's home improvement market share exceeded its overall market share among both low- and moderate-income borrowers. PNC also had a market rank of two among low-income borrowers while experiencing sub-prime lender competition. In the Newark assessment area, the percentage of home improvement loans to low-income borrowers was significantly less than the percentage of such families in the Newark assessment area. However, the percentage of loans to moderate-income borrowers was near to the percentage of moderate-income families. Furthermore, PNC's market share among low-income borrowers was near to its overall market share, while the moderate-income share was less than the overall share. Nevertheless, among low-income borrowers, PNC had a two-market rank while facing sub-prime lender competition.

PNC's distribution of home refinance loans to low- and moderate-income borrowers is good in the Bergen Passaic assessment area and adequate in the Newark assessment area. In the Bergen Passaic assessment area, the percentage of home refinance loans among low-income borrowers was significantly less than the percentage of low-income families. However, the percentage of such loans to moderate-income borrowers was comparable to the percentage of moderate-income families. Furthermore, PNC's market share among both low- and moderate-income borrowers exceeded its overall market share. In the Newark assessment area, the percentage of home refinance loans among low-income borrowers was significantly less than the percentage of low-income families. However, the percentage of such loans among moderate-income borrowers was near to the percentage of moderate-income families. Furthermore, PNC's market share among both low- and moderate-income borrowers was near to its overall market share. PNC also has a rank of two among both low- and moderate-income borrowers.

### Small Loans to Businesses

Refer to Table 11 of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses. The distribution of small loans to businesses is adequate for both the Bergen Passaic and Newark assessment areas.

In the Bergen Passaic assessment area, loans to small businesses comprised 34.4% of all business loans. This percentage is skewed lower because the loan population includes many businesses for which revenue is unknown. Recalculating the percentage based only on loans for which business revenue is known, loans to small businesses increase to 62.9%. This is somewhat less than the 83.1% of businesses in the assessment area that have revenues of \$1 million or less. Nevertheless, PNC's market share among small businesses evidences the bank's practice of lending to small businesses, as it was 1.8 times greater than its market share among businesses of all sizes. Furthermore, PNC also targets small businesses with its loan programs that waive revenue information.

In the Newark assessment area, loans to small businesses comprised 36.7% of all business loans. Recalculating the percentage based only on loans for which business revenue is known, loans to small businesses increase to 64.2%. This is somewhat less than the 83.9% of businesses in the assessment area that have revenues of \$1 million or less. Nevertheless, PNC's market share among small businesses evidences the bank's practice of lending to small businesses, as it was 1.8 times greater than its market share among businesses of all sizes. Furthermore, PNC also targets small businesses with its loan programs that waive revenue information.

### **Community Development Lending**

Refer to Table 1 in the State of New Jersey section of Appendix D for the facts and data used to evaluate the bank's level of community development lending.

Community development lending had a significant positive impact on the lending test conclusion for the Newark assessment area. PNC originated 16 community development loans totaling \$38.2 million in the Newark assessment area, which equate to 12% of the bank's Tier I capital allocated to Newark. PNC also originated 9 community development loans totaling \$17.7 million in the Bergen-Passaic assessment area, equivalent to 7% of allocated Tier I capital. The level of community development lending is considered excellent. Community development lending opportunities in these areas are high.

The level and nature of community development lending has been responsive to the credit needs of the community. Many of the loans involved significant effort to initiate and bring to fruition, as they involved the following parties, often simultaneously: developers, government agencies, other financing sources and financial institutions.

The following are examples of community development loans that reflect positively on the bank's performance.

- PNC provided a \$15 million loan to a partnership that operates a large apartment complex in a low-income portion of the Newark assessment area that provides housing for low- and

moderate-income tenants. The tenants are required to be elderly or disabled. These apartments provide affordable housing through rental payments that are based on each tenant's income.

- PNC provided \$3 million to a partnership for a building housing a pharmacy in a moderate-income segment of the Bergen-Passaic assessment area. The project helps to revitalize the area by establishing a business in what was a vacant lot, providing a needed service in the area and jobs for residents.
- PNC provided a \$150 thousand line of credit to a community development corporation in the Bergen-Passaic assessment area for working capital. The organization administers programs that benefit low- and moderate-income persons such as transitional housing, a men's shelter, job development and adult education.
- PNC provided a \$163 thousand construction loan to a non-profit corporation that oversees the development, construction and management of affordable housing. The loan funded the development of 5 for-sale units that are affordable to moderate-income families in a moderate-income Newark community. PNC also provided a \$48 thousand no interest rate loan to assist with soft costs prior to development.
- PNC participates with a consortium of financial institutions that provide permanent financing for affordable housing and community development projects in the Newark assessment area. An example is a \$500 thousand loan that helped to fund the conversion of a former school building in a low-income area to 60 affordable apartments. PNC also provided \$402 thousand in financing to develop a multi-use facility, the majority of which will yield 125 rental units affordable to low- and moderate-income families.

PNC originated small business loans that also have a community development purpose. These loans contributed meaningfully to the bank's community development lending efforts. Examples of such loans follow.

- PNC provided a \$300 thousand loan in the Newark assessment area to refinance an existing mortgage to a community development corporation. This organization develops housing for low- and moderate-income persons. Loan proceeds reduce the organization's debt service and provides working capital.
- PNC provided a \$240 thousand permanent mortgage to a non-profit corporation in the Newark assessment area to expand their facility. The organization provides educational programs, such as Head Start which is targeted to low- and moderate-income children, and childcare services.

### **Product Innovation and Flexibility**

Product flexibility had a positive impact on the lending test. PNC has developed bank-wide lending programs that represent flexible efforts to help meet the credit needs of the community. These programs are discussed in the "Product Innovation and Flexibility" section of the Multistate Metropolitan Area Ratings for the Cincinnati assessment area. These programs are available in the Bergen Passaic and Newark assessment areas. Information about the number and dollar amount of these loans was available on a bank-wide basis only.

In addition to flexible products offered bank-wide, PNC employs products specific to the New Jersey assessment areas.

- Home Purchase Loans: Closing cost assistance of up to \$3,500 was available in New Jersey for low- and moderate-income borrowers through PNC Mortgage's affordable home purchase loans programs.
- Hurricane Floyd Loans: In response to the damage residents in the New Jersey assessment areas incurred from Hurricane Floyd, PNC offered home improvement loans in the fall of 1999 with terms more flexible than under standard PNC products. The loans allowed a lower amount of home equity, a 90-day deferral on the initial payment and a lower rate. The number and dollar amount of originations under this program was not available.
- Micro Loans: PNC participates in a City of Paterson's micro-lending program. The city provides a 50% guarantee for loan sizes ranging from \$5 thousand to \$25 thousand. This addresses the credit needs of this predominately low- and moderate-income community as it allows PNC to offer loans to small businesses that would not qualify under the bank's normal underwriting guidelines. The City targets owner-operated businesses with 10 or fewer employees that are unable to obtain financing through traditional means. PNC originated 20 loans totaling \$480 thousand over the two and one-half years the program operated during the evaluation period.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the lending test in Atlantic Cape May, Jersey City, Middlesex Somerset Hunterdon, Monmouth Ocean, Trenton and Vineland Milville assessment areas is not inconsistent with the bank's overall "High Satisfactory" performance under the lending test for New Jersey. Lending performance in the limited scope assessment areas was an influencing factor in the overall New Jersey lending rating. Performance in the limited-scope areas was relevant to the overall lending rating due to the similarity in size of deposits between the full-scope and limited-scope areas and the difference in performance conclusions for the two full-scope areas. Refer to the Tables 1 through 11 in Appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

Refer to Table 14 in the New Jersey section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments. PNC's performance under the investment test in the State of New Jersey is rated "High Satisfactory." Based on full-scope reviews, the bank's performance is adequate in the Bergen-Passaic and good in the Newark assessment areas.

Qualifying investments in the Bergen-Passaic assessment area include: 21 grants and investments made during the evaluation period totaling \$283 thousand, as well as \$2.3 million in allocated benefits from 45 statewide or regional investments. The statewide or regional investments benefit the Bergen-Passaic area and consist of LIHTC funds, a SBIC and a statewide affordable housing fund. The amount allocated to Bergen-Passaic is based on its proportional share of deposits and increases total investments in the area to \$2.583 million.

The volume of investments in or attributed to the Bergen Passaic assessment area is adequate and reasonably responds to the credit needs of the community. PNC made 2 PRIs in the Bergen-Passaic area, both were to help defray pre-development costs associated with the creation of affordable housing. Grants have been directed toward local economic and community development corporations in support of their programs as well as to non-profits that provide needed community development services.

In the Bergen-Passaic assessment area, the following is an example of PNC's CD investments:

- PNC made a \$50 thousand PRI to help defray the pre-development costs of a project that will create 29 low-income rental units in Paterson, N.J.

Qualifying investments in the Newark area total \$6.7 million. Direct investments and grants into Newark total 10 for \$3.5 million and 68 for \$535 thousand respectively. Over 70% of these investments were made during the current evaluation period. Another \$2.7 million of investments were allocated to the assessment area on the basis of the bank's deposit base from a group of broader statewide or regional area investments that incorporate and benefit the Newark area.

The volume of investments in or attributed to the Newark assessment area is good and responsive to the identified community development needs that include affordable housing. Investment activity in Newark includes support of affordable housing through several community development corporations and a LIHTC fund that invested over \$3 million in the Newark area. PNC used its PRI and grants to assist local non-profits with pre-development costs and to fund needed community development services.

In the Newark assessment area, the following is an example of PNC's CD investments:

- PNC participated with the New Jersey Department of Community Affairs to provide \$82 thousand for pre-development costs to rehabilitate a rental apartment building for low-income families. PNC also provided an additional \$12 thousand for lead paint abatement efforts and has committed to providing construction/permanent mortgage financing for this project.

None of the investments in Bergen-Passaic or Newark are considered complex, but as noted earlier in this document, the bank's PRI are considered highly responsive to the needs of the community. Investment opportunities are moderated by the high cost of housing in the area and a competitive financial environment.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the investment test in the Middlesex-Somerset area is not inconsistent with the bank's "High Satisfactory" investment test performance for New Jersey. Performance in the Trenton assessment area was stronger while

performance in the Atlantic-Cape May, Jersey City, Monmouth-Ocean, and Vineland-Millville areas was weaker than the bank's overall investment test performance in New Jersey. Performance is based solely on the volume of investments made within or attributed to each assessment area. The limited scope reviews did not have a significant impact on the overall investment test performance, although the Middlesex-Somerset area, as the largest limited-scope areas in New Jersey, added support to the performance observed in Newark and helped solidify the investment test rating for New Jersey.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Review**

The bank's performance under the service test in New Jersey is rated "High Satisfactory." Based on full-scope reviews, the bank's performance in both the Bergen-Passaic and Newark assessment areas is good.

### **Retail Banking Services**

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

Delivery systems are accessible to geographies and individuals of different income levels in the assessment area. The geographic distribution of branches is augmented by the recent addition of PNC's Development Bank branches and Primary Access suite of products, which provide a unique delivery channel to low- and moderate-income communities, as well as, the strength of community development services.

In the Bergen-Passaic assessment area, the percentage of PNC's branches in low-income geographies is below the percentage of population living in low-income geographies. However, the percentage of branches in moderate-income geographies is comparable to the percentage population living in moderate-income geographies. In the Newark assessment area, the proportion of PNC's branches in low-income geographies exceeds the percentage of population living in low-income geographies. However, the proportion of branches in moderate-income geographies is well below the percentage population living in moderate-income geographies. The low penetration is in part the result of PNC's limited branch presence in the Union County portion of the Newark assessment area – among middle- and upper-income income geographies as well as moderate-income geographies. The proximity of PNC branches to low- and moderate-income geographies augments accessibility to PNC's products and services. Ninety-one percent of low- and moderate-income tracts in the Bergen-Passaic assessment area are within one mile of a PNC branch, and 67% of Newark low- and moderate-income tracts are within one mile of a PNC branch.

PNC's record of opening and closing branch offices has not adversely affected accessibility of its delivery systems in the Bergen-Passaic and Newark assessment areas, particularly to low- and



moderate-income individuals. During the review period, the bank closed one branch in a Bergen-Passaic moderate-income geography. The branch was an inefficient facility losing deposits, and the bank transferred its customers to a middle-income location 1.7 miles away. PNC closed no branches in the Newark low- and moderate-income geographies.

Branch hours are consistent with the bank's overall branching network with some branch hours tailored to individual communities, including low- and moderate-income communities. Current branch hours do not vary in a way that inconveniences the assessment area, particularly low- and moderate-income individuals. Alternative delivery systems, including the bank's ATM network and telephone banking, are available in all geographies. According to an internal analysis provided by the bank, alternative delivery usage in low- and moderate-income geographies is comparable or greater than activity in middle- and upper-income geographies.

ATMs provide an alternative delivery channel that helps to supplement branches in the accessibility of PNC products and services to persons in low- and moderate-income geographies. The distribution of ATMs in the Bergen-Passaic assessment area among both low- and moderate-income geographies exceeds the percentage of population in those respective geographies. Furthermore, the proportion of full service ATMs in low- and moderate-income areas is comparable to the proportion in middle- and upper-income geographies.

In the Newark assessment area, the distribution of ATMs in low-income geographies exceeds the percentage of population in low-income geographies. The distribution of ATMs in moderate-income geographies is below the percentage of population in moderate-income geographies. Nevertheless, the proportion of full service ATMs in low- and moderate-income areas is comparable to the proportion in middle- and upper-income geographies.

During the review period PNC opened a net total of two ATMs in moderate-income geographies in the Bergen-Passaic assessment area. In the Newark assessment area, PNC opened a net total of one ATM in low-income geographies and one ATM in moderate-income geographies.

Traditional banking services are available to consumer and business customers at all branch locations. The bank offers a wide variety of deposit services and loan products including an internally developed product line known as "Primary Access" that targets the financial needs of low- and moderate-income individuals. In New Jersey, these "Primary Access" products are marketed through the bank's Development Bank program as discussed in the Philadelphia section of this evaluation. The Development Bank has five branches in the Bergen-Passaic assessment area and eight branches in the Newark assessment area. The program includes a range of deposit products including checking, savings, and CD's as well as personal and mortgage loans.

### **Community Development Services**

The bank provides a high level of community development services in the Bergen-Passaic and Newark assessment areas. In October 2001, PNC expanded the Development Bank network to the northern New Jersey area. The Development Bank was developed and implemented as a

focused effort to assess and address the financial needs and services of low- and moderate-income geographies. A full discussion on the Development Bank concept is located in the Service Test analysis for the Philadelphia Multistate assessment area.

PNC staff and management actively participate in numerous economic development and revitalization organizations, provide financial expertise to community organizations benefiting low- and moderate-income individuals and geographies, conduct financial training and affordable housing workshops, and contribute technical expertise for small business and nonprofits, including micro-loan groups. For example, during the review period, the bank provided:

- Eight community development services relating to affordable housing in the Bergen-Passaic assessment area and twenty-seven in the Newark assessment area;
- Nine basic financial education courses in the Bergen-Passaic assessment area and eighteen in the Newark assessment area;
- Technical assistance to non-profit groups on nine occasions in the Bergen-Passaic assessment area and twenty-four in the Newark assessment area; and
- Loan review and credit expertise to numerous small business groups, non-profit organizations, and credit counseling services that target low- and moderate-income geographies and individuals.

Examples of the bank's specific involvement in community development services within the Bergen Passaic assessment area include:

- In 2000, PNC Bank sponsored a Federal Home Loan Bank (FHLB) application on behalf of New Jersey Community Development Corporation (NJCDC) for \$190,000. The project provides transitional housing for teenagers who are phasing out of the state's foster care system. A significant majority of recipients are considered low- and moderate-income. NJCDC's mission is to revitalize New Jersey's urban areas through the creation of jobs, affordable housing, educational initiatives, and vital support services.
- Since March of 2000, PNC staff has been providing technical assistance to the New Life Covenant Church with the purpose to establish a community-based organization called Life Education and Training Center. This new organization will provide education and career development services to low- and moderate-income persons.

Examples of the bank's specific involvement in community development services within the Newark assessment area include:

- A financial seminar held with the non-profit faith based group, Provision of Promise Ministries that was attended by over 200 individuals from in and around low- and moderate-income geographies. The seminar included information on small business start-ups, budgeting, and credit, home ownership, and investments. The seminar benefited low- and moderate-income individuals and geographies within the assessment area.

- The bank conducted a budgeting and credit workshop for employees of Newark Social Enterprise, a property management company that manages low- and moderate-income housing rentals. The Newark Social Enterprise creates entry-level jobs and promotes affordable housing in low- and moderate-income geographies.

### **Conclusions for Areas Receiving Limited Scope Reviews**

The evaluation of performance in areas receiving limited-scope reviews is limited to the distribution of branches by income level of the geography and the bank's record of opening and closing branches. Based on limited-scope reviews, the bank's performance under the service test in Atlantic-Cape May, Jersey City, Monmouth-Ocean and Vineland-Millville areas is not inconsistent with the bank's overall "High Satisfactory" performance under the service test in New Jersey. Branch distribution is weaker in Middlesex-Somerset-Hunterdon and Trenton areas than the overall State rating. These areas of weaker performance did not negatively impact the overall conclusion for the service test. Refer to Table 13 in the State of New Jersey section of appendix D for the facts and data that support these conclusions.

## State of Pennsylvania Rating

### CRA Rating for the State of Pennsylvania: **Outstanding**

The lending test is rated: **High Satisfactory**

The investment test is rated: **Outstanding**

The service test is rated: **Outstanding**

The major factors that support this rating include:

- An excellent volume of home mortgage lending and a good volume of small business lending throughout the assessment area.
- A good geographic distribution of home mortgage loans and small business loans.
- An adequate borrower distribution of home mortgage loans and small business loans.
- Community development lending had a positive impact on the lending test.
- Investments exhibit an excellent level of responsiveness to the credit and community development needs of the community, including the use of complex investments and a leadership role by the bank to provide funding in non-routine investment situations.
- Service delivery systems and offices provide excellent accessibility to geographies and individuals of different income levels. The bank is a leader in providing community development services that have a positive impact on low- and moderate-income individuals.

## **Description of Institution's Operations in Pennsylvania**

PNC has twelve assessment areas within Pennsylvania. They are Allentown, Erie, Harrisburg, Johnstown, Lancaster, Pittsburgh, Reading, Scranton Wilkes-Barre, State College, Williamsport, York and a non-metropolitan assessment area that includes the following counties Adams, Crawford, Huntingdon, Indiana, Monroe, Warren and Wayne. We did not include the Pennsylvania portion of the Philadelphia multistate MSA, as this is evaluated separately. As of our examination date, PNC had 235 branches in Pennsylvania, including 2 branches in "NA" income census tracts, but excluding those in the Philadelphia multistate MSA. In November 2001, PNC sold its sole Reading County office and exited from the marketplace. As this assessment area existed for the majority of the evaluation period, it is included in our evaluation. PNC derives 40% of its deposits from the State of Pennsylvania.

Refer to the Market Profiles for the State of Pennsylvania in Appendix C for detailed demographic and other performance context information for assessment areas that received full-scope reviews.

## **Scope of Evaluation in Pennsylvania**

We selected the Pittsburgh and Scranton Wilkes-Barre assessment areas for full-scope reviews. These two areas contain 64% and 13%, respectively, of PNC's \$16.8 billion in deposits within the state. These assessment areas were selected as they hold the largest percentage of bank deposits in the state and are areas where PNC local market presence is significant. As the larger of the two, Pittsburgh received the greatest weight in assessing performance. All other assessment areas received limited-scope reviews. Refer to the Scope of the Evaluation table in Appendix A for more information on the names of the counties included in each assessment area.

## **LENDING TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the lending test in Pennsylvania is rated "High Satisfactory." Based on full-scope reviews, PNC's performance is good in the Pittsburgh assessment area and good in the Scranton Wilkes-Barre assessment area.

### **Lending Activity**

Refer to Table 1 of Appendix D for the facts and data used to evaluate PNC's lending activity. Lending activity in both the Pittsburgh and Scranton Wilkes-Barre assessment areas represents an excellent level of responsiveness to community credit needs.

#### *Pittsburgh*

From January 1, 1998 to December 31, 2001, PNC originated and purchased about 46,800 loans totaling about \$3.2 billion in the assessment area. By number of originations, 77% were HMDA reportable home loans and 23% were small loans to businesses. Home purchase loans comprise

23% of HMDA home loans. Home improvement loans and home refinance loans comprised 21% and 56%, respectively. The volume of community development loans had a positive impact on lending activity performance.

PNC has a rank of 1 in the assessment area for a deposit market share of 24.2% of deposits per the June 30, 2001 FDIC Deposit Market Share Report. Per 2000 market share data, PNC ranked 1<sup>st</sup> with a 7.8% market share for home purchase loans by number. PNC's rank for home improvement loans was 1<sup>st</sup> with a 14.1% share and 1<sup>st</sup> with an 11.7% share for home refinance loans. Performance is noteworthy for home mortgage loans in consideration of the fragmented nature of home purchase and refinancing lending as described above. The home improvement loan market lacks this competition and shows greater market share performance.

PNC has a rank of 5<sup>th</sup>, with 6.8% of the market, by number of originations for small loans to businesses in the assessment area. The performance is good in light of competition from large lenders that provide small business credit cards. Four of the top 6 lenders provided 41% of loans by number, but only 9% of loans by dollar amount. By dollar amount, PNC's rank of 2<sup>nd</sup> and market share of 12.9% are more comparable to its deposit rank and market share. PNC obtains 19.7% of its small loans to businesses from the Pittsburgh market, and a comparable 25.1% of its deposits are from this market.

#### *Scranton*

From January 1, 1998 to December 31, 2001, PNC originated and purchased about 14,300 loans totaling about \$840 million in the assessment area. By number of originations, 79% were HMDA reportable home loans and 21% were small loans to businesses. Home purchase loans comprise 12% of HMDA home loans. Home improvement loans and home refinance loans comprised 28% and 60%, respectively. The volume of community development loans had a positive impact on lending activity performance.

PNC has a rank of 1 in the assessment area for a deposit market share of 23.10% of deposits per the June 30, 2001 FDIC Deposit Market Share Report. Per 2000 HMDA market share data, PNC ranked 5<sup>th</sup> with a 4.0% market share for home purchase loans by number. PNC's rank for home improvement loans was 1<sup>st</sup> with a 17.8% share and 1<sup>st</sup> with a 14.6% share for home refinance loans. Although PNC's rank and market share for home purchase loans is below that for deposits, its overall performance is excellent in light of the fragmented nature of home purchase lending where there are hundreds of lenders including numerous non-depository institutions. The home improvement loan market lacks this competition and shows substantially greater performance.

PNC has a rank of 6<sup>th</sup>, with 8.7% of the market, by number of originations for small loans to businesses in the assessment area. The performance is good in light of competition from large lenders that provide small business credit cards. Three of the top 5 lenders provided 37% of loans by number, but only 6% of loans by dollar amount. By dollar amount, PNC's rank of 3<sup>rd</sup> and market share of 11.5% are more comparable to its deposit rank and market share. PNC obtains 5.5% of its small loans to businesses from the Scranton Wilkes-Barre market, and a comparable 5.0% of its deposits are from this market.

The sale of PNC Mortgage reduced the volume of home purchase and refinance loans beginning with 2001 data. PNC's lending strategy now emphasizes home improvement and small business lending. However, PNC continues to offer an affordable home purchase loan, which it has identified as a community credit need.

### **Distribution of Loans by Income Level of the Geography**

The overall Distribution of the bank's lending is good in both the Pittsburgh and Scranton Wilkes-Barre assessment areas.

#### Home Mortgage Loans

Refer to Tables 2, 3, and 4 of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases. The overall geographic distribution of home mortgage loans is good in both the Pittsburgh and Scranton Wilkes-Barre assessment areas.

PNC's geographic distribution of home purchase loans is good in both the Pittsburgh and Scranton Wilkes-Barre assessment areas. In the Pittsburgh assessment area, the percentage of home purchase loans in low-income census tracts is comparable to the percentage of owner-occupied housing units. The percentage of home purchase loans in moderate-income census tracts is near to the percentage of owner-occupied housing. PNC's market share among low-income geographies exceeded its overall market share, and the bank had a number one rank. PNC's market share in moderate-income geographies was comparable to its overall market share, and the bank had a number two rank. In the Scranton Wilkes-Barre assessment area, an analysis of lending among low-income census tracts was not meaningful, as a negligible percentage of owner-occupied housing is located in low-income census tracts. The percentage of home purchase loans made in moderate-income census tracts was comparable to the percentage of owner-occupied housing. PNC's market share in moderate-income geographies was also comparable to its overall market share in the assessment area.

PNC's geographic distribution of home improvement loans is good in both the Pittsburgh and Scranton Wilkes-Barre assessment areas. In the Pittsburgh assessment area, the percentage of home improvement loans in low-income geographies was less than the percentage of owner-occupied housing. However, the percentage of such loans in moderate-income areas was near to the percentage of owner-occupied housing. PNC's market share among both low- and moderate-income geographies was slightly below its overall market share. Although facing competition from subprime lenders, PNC had the number three rank in low-income geographies and number two rank in moderate-income geographies, which is evidence of its penetration into these markets. In the Scranton Wilkes-Barre assessment area, as indicated above, an analysis of lending among low-income census tracts was not meaningful. The percentage of home improvement loans made in moderate-income census tracts was comparable to the percentage of owner-occupied housing. PNC's market share in moderate-income geographies was near to its overall market share.

PNC's geographic distribution of home refinance loans is adequate in the Pittsburgh assessment area and good in the Scranton Wilkes-Barre assessment area. In the Pittsburgh assessment area, the percentage of home refinance loans in low-income geographies was significantly less than the percentage of owner-occupied housing. The percentage of such loans in moderate-income geographies was less than the percentage of owner-occupied housing. PNC's market share among both low- and moderate-income geographies was less than its overall market share. In low-income geographies, sub-prime lenders comprise 3 of the top 5 lenders. Furthermore, PNC holds the number one rank in moderate-income geographies despite numerous sub-prime lender competitors. In the Scranton Wilkes-Barre assessment area, as indicated above, an analysis of lending among low-income census tracts was not meaningful. The percentage of home refinance loans among moderate-income geographies was near to the percentage of owner-occupied housing. PNC's market share among moderate-income geographies was also near to its overall market share. PNC had a number two market rank while incurring sub-prime lender competition, which is evidence of its lending in these geographies.

#### Small Loans to Businesses

Refer to Table 6 of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination and purchase of small loans to businesses.

PNC's geographic distribution of small loans to businesses is good in the Pittsburgh assessment area and adequate in the Scranton Wilkes-Barre assessment area. In the Pittsburgh assessment area, the percentage of small loans to businesses among low-income geographies was comparable to the percentage of small businesses while the percentage of such loans among moderate-income geographies was somewhat less than the percentage of small businesses. These percentages, and the market share percentages that follow, are impacted by credit card lenders which have a relatively large share of the market by the number of loans, on which these percentages are based. Nevertheless, PNC's market share in low-income geographies exceeded its overall market share. PNC's market share performance in moderate-income geographies was comparable to its overall market share. In the Scranton Wilkes-Barre assessment area, the percentage of small loans to businesses in low-income geographies was significantly less than the percentage of small businesses. However, the percentage of such loans in moderate-income geographies was near to the percentage of small businesses. Furthermore, PNC's market share in low-income geographies exceeded its overall market share, and its market share in moderate-income geographies was comparable to its overall market share.

#### **Lending Gap Analysis**

Home mortgage and small business lending were evaluated using mapping and other techniques. No significant or unexplained gaps were revealed.

#### **Inside/Outside Ratio**

PNC originates a majority of its loans from within its assessment areas. In the State of Pennsylvania, over 93% of home purchase, improvement, refinance and small business lending



originated from inside the assessment area. The analysis does not include extensions of credit made by bank affiliates.

### **Distribution of Loans by Income Level of the Borrower**

The overall borrower distribution of the bank's lending is adequate in the Pittsburgh assessment area and good in the Scranton Wilkes-Barre assessment area.

#### Home Mortgage Loans

Refer to Tables 7, 8, and 9 of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases. The overall borrower distribution of home mortgage loans is adequate in the Pittsburgh assessment area and good in the Scranton Wilkes-Barre assessment area.

PNC's distribution of home purchase loans to low- and moderate-income borrowers is good in the Pittsburgh assessment area and good in the Scranton Wilkes-Barre assessment area. In the Pittsburgh assessment area, the percentage of home purchase loans made to low-income borrowers was significantly less than the percentage of low-income families. However, the percentage of such loans to moderate-income borrowers significantly exceeded the percentage of moderate-income families. PNC's market share among both low- and moderate-income borrowers was somewhat below its overall market share. In the Scranton Wilkes-Barre assessment area, the percentage of home purchase loans made to low-income borrowers was less than the percentage of low-income families. However, the percentage of such loans to moderate-income borrowers significantly exceeded the percentage of moderate-income families. Furthermore, PNC's market share among low-income borrowers slightly exceeded its overall market share. Its share among moderate-income borrowers was near to its overall its overall market share.

PNC's distribution of home improvement loans to low- and moderate-income borrowers is adequate in the Pittsburgh assessment area and good in the Scranton Wilkes-Barre assessment area. In the Pittsburgh assessment area, the percentage of loans to low-income borrowers was significantly less than the percentage of low-income families. The percentage of such loans to moderate-income borrowers was near to the percentage of moderate-income families. PNC's market share among low-income borrowers was below its overall market share, and its market share among moderate-income borrowers was somewhat below its overall market share. Sub-prime lenders are a competitive factor; however, PNC retains a market rank of three and two, respectively among low-income and moderate-income borrowers. In the Scranton Wilkes-Barre assessment area, the percentage of home improvement loans to low-income borrowers was significantly less than the percentage of low-income families. However, the percentage of such loans to moderate-income borrowers was comparable to the percentage of moderate-income families. Furthermore, PNC's market share among low-income borrowers was comparable to its overall market share. Its market share among moderate-income borrowers was near to its overall market share. PNC also held a market rank of one among both low- and moderate-income borrowers while facing sub-prime lender competition.

PNC's distribution of home refinance loans to low- and moderate-income borrowers is adequate in the Pittsburgh assessment area and adequate in the Scranton Wilkes-Barre assessment area. In the Pittsburgh assessment area, the percentage of home refinance loans to low-income borrowers was significantly below the percentage of low-income families. The percentage of moderate-income borrowers was less than the percentage of moderate-income families. PNC's market share for both low- and moderate-income borrowers was below its overall market share. Nevertheless, PNC has a market rank of one among both low- and moderate-income borrowers, despite strong competition from sub-prime lenders. In the Scranton Wilkes-Barre assessment area, the percentage of loans to low-income borrowers was significantly less than the percentage of low-income families, while the percentage of such loans to moderate-income borrowers was near to the percentage of moderate-income families. PNC's market share among both low- and moderate-income borrowers compared more favorably, as they were both near to PNC's overall market share. PNC also had a market rank of one among both low- and moderate-income borrowers while experiencing sub-prime lender competition.

#### Loans to Small Businesses and Small Farms

Refer to Table 11 of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses. The distribution of small loans to businesses is adequate for both the Pittsburgh and Scranton Wilkes-Barre assessment areas.

In the Pittsburgh assessment area, loans to small businesses comprised 36.0% of all business loans. Recalculating the percentage based only on loans for which business revenue is known, loans to small businesses increase to 44.4%. This is less than the 84.9% of businesses in the assessment area that have revenues of \$1 million or less. Nevertheless, PNC's market share among small businesses evidences the bank's practice of lending to small businesses, as it was 1.2 times greater than its market share among businesses of all sizes. Furthermore, PNC also targets small businesses with its loan programs that waive revenue information.

In the Scranton Wilkes-Barre assessment area, loans to small businesses comprised 41.8% of all business loans. This percentage is skewed lower because the loan population includes many businesses for which revenue is unknown. Recalculating the percentage based only on loans for which business revenue is known, loans to small businesses increase to 60.4%. This is somewhat less than the 86.6% of businesses in the assessment area that have revenues of \$1 million or less. Nevertheless, PNC's market share among small businesses evidences the bank's practice of lending to small businesses, as it was 1.8 times greater than its market share among businesses of all sizes. Furthermore, PNC also targets small businesses with its loan programs that waive revenue information.

#### **Community Development Lending**

Refer to Table 1 in the State of Pennsylvania section of Appendix D for the facts and data used to evaluate the bank's level of community development lending.

Community development lending had a positive impact on the lending test conclusion for the Scranton Wilkes-Barre and Pittsburgh assessment areas. PNC originated 12 community development loans totaling \$6.1 million in the Scranton Wilkes-Barre assessment area, and 75 community development loans totaling \$81.8 million in the Pittsburgh assessment area. The level of community development lending is good for Scranton Wilkes-Barre and excellent for Pittsburgh. The dollar volume of community development loans represents 3% and 7% of the bank's allocated Tier I Capital attributed to the Scranton Wilkes-Barre and Pittsburgh assessment areas, respectively. Community development lending opportunities in these areas are high.

The bank's community development loans are responsive to the credit needs of the community. Many of the loans involved significant effort to initiate and bring to fruition, as they involved the following parties, often simultaneously: developers, government agencies, other financing sources and financial institutions.

The following are examples of community development loans.

- PNC provided \$2.8 million of construction financing to a for-profit partnership secured by residential real estate to redevelop public housing in a low-income area of the Pittsburgh assessment area. The project yielded 150 rental units, two-thirds of which are targeted toward low- and moderate-income residents. In a subsequent loan, PNC provided construction and long-term financing of \$1.5 million develop 86 Hope VI rental units, two-thirds of which will be affordable to low- and moderate-income residents. The permanent financing component with its fixed interest rate will help to ensure the project remains affordable to its residents.
- PNC provided a \$1.0 million line of credit to a non-profit organization to temporarily fund 5 development projects in the Scranton Wilkes-Barre assessment area. Three of the five projects serve community development. Two sites provide low-income housing, and the organization will use the third site for low-income services. The organization's services primarily benefit low-income individuals. It manages food pantries that feed thousands of meals to low-income persons daily. The organization has developed other permanent housing with the assistance of low-income housing tax credit equity, as well as, emergency and transitional housing for low- and moderate-income persons.

PNC originated small business loans which also have a community development purpose. These loans contributed meaningfully to the bank's community development lending efforts. An example follows.

- PNC provided \$650 thousand construction loan and subsequent permanent financing to a small business for the renovation of a vacant industrial building in an older moderate-income area of Pittsburgh. City, State and private foundation money also went into the project, which will promote economic stabilization and growth revitalization prospects for the area. The business offers below-market rents in the renovated building to other small businesses seeking space to grow while generating economic support for the area.

## **Product Innovation and Flexibility**

Product flexibility had a positive impact on the lending test. PNC has developed bank-wide lending programs that represent flexible efforts to help meet the credit needs of the community. These programs are discussed in the “Product Innovation and Flexibility” section of the Multistate Metropolitan Area Ratings for the Cincinnati assessment area. These programs are available in the Scranton and Pittsburgh assessment areas. Information about the number and dollar amount of these loans was available on a bank-wide basis only.

In addition to flexible products offered bank-wide, PNC employs products specific to the Pennsylvania assessment areas.

- **Primary Access Mortgage Program:** In the Pittsburgh assessment area, the Primary Access Mortgage Program includes home purchase loan programs sponsored by the Urban Redevelopment Authority of Pittsburgh. Information about the volume of originations for the Pittsburgh assessment area was not available.
- **Other Partnerships with Local Government Loan Programs:** In the Pittsburgh assessment area, PNC participates with the Urban Redevelopment Authority of Pittsburgh to provide financing to low- and moderate-income borrowers for home improvement. The Home Improvement Loan Program (HILP) offers more flexible loan terms than conventional home equity products. The borrower can obtain a reduced interest rate, a longer term for a lower monthly payment, and the borrower is not required to have equity in their residence. HILP is available only to City of Pittsburgh residents. From 1998 through 2001, PNC originated 132 HILP loans for \$1.7 million. PNC accounted for approximately 30% of HILP loans originated by all participating lenders.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank’s performance under the lending test in Allentown, Erie, Harrisburg, Lancaster and Williamsport assessment areas and the combined Pennsylvania non-metropolitan assessment areas is not inconsistent with the bank’s overall “High Satisfactory” performance under the lending test for Pennsylvania. Performance for the Johnstown, Reading, State College and York assessment areas are weaker than the bank’s overall performance in the state. This did not impact our overall conclusion relative to the lending test. Refer to the Tables 1 through 11 in Appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

Refer to Table 14 in the Pennsylvania section of Appendix D for the facts and data used to evaluate the bank’s level of qualified investments. PNC’s performance under the investment test in the State of Pennsylvania is rated “Outstanding.” Based on full-scope reviews, the bank’s performance is excellent in the Pittsburgh and Scranton assessment areas.

### *Investments in Pittsburgh Assessment Area*

In the Pittsburgh assessment area there were 24 qualified investments and 205 qualified grants totaling \$25.6 million and \$3.6 million respectively. Not included in these totals are additional investment dollars of \$1.7 million allocated from statewide or regional investments that would include and benefit the Pittsburgh area. This increases the total investments attributed to Pittsburgh to \$30.9 million. Over 66% of the investment dollars were originated during the evaluation period, the remainder is investments from prior to the evaluation period that are still outstanding and providing benefits to the community. We also considered three unfunded investment commitments totaling \$2.3 million in assessing the bank's investment performance. Investment opportunities in the area are high but fragmented within the community. This has limited opportunities for large-scale investments opportunities and increased the level of difficulty in putting investment opportunities together.

PNC's investments exhibit an excellent level of responsiveness to the credit and community development needs of the community, including the use of complex investments and a leadership role by the bank in providing funding in non-routine investment situations.

The bank's investment strategy uses a variety of investment methods in order to effectively address as many of the area's needs as possible. Among the investments made by PNC are: LIHTCs to develop or retain multifamily affordable housing, grants and Program Related Investments to nonprofit organizations that support housing, community development and community services, below market-rate deposits in CDFIs and community credit unions that reinvest the funds to service the needs of their low- and moderate-income customers and geographies, and equity investments in area economic development funds and Small Business Investment Companies that seek to create economic and job growth by financing small businesses. Investments have been directed to help meet the identified needs of the community, including a majority of the investment funds being used to create or improve affordable housing.

Six LIHTC projects are included in PNC's investment portfolio. For reasons described earlier in this document, LIHTCs are complex investments. Also noteworthy in the Pittsburgh assessment area is PNC's use of Program Related Investments. These investments place PNC in a leadership position in the community and have been highly effective in providing local organizations a critical source of funding at a time when traditional funding means may not exist. A more detailed explanation of LIHTCs and the benefits of Program Related Investments is presented in the Cincinnati investment section of this document.

In the Pittsburgh assessment area, the following are examples of PNC's CD investments:

- PNC invested \$5 million via LIHTC in a major redevelopment of 60 low-income public housing units in the Homestead area, a low-income community. The project was structured in a unique manner utilizing Allegheny County Hope VI dollars to extend the bridge financing period, this in turn allowed the bank to increase the amount of its investment dollar credit beyond its usual bid amount. This helped to fund a higher level of rehabilitation activity.

- PNC has provided a \$2 million commitment to a local CDFI. This is in addition to an existing \$0.5 million investment PNC made in 1997. The investments will benefit the organization's Manufacturing Jobs Initiative (MJII), whose goal is to lend to key businesses that have growth potential to create higher family-wage manufacturing jobs in distressed communities. The MJII targeted territory is low and moderate-income communities in the Pittsburgh area, many of which have been adversely impacted over the last 20 years by the steady decline of old industrial businesses. Because manufacturing companies are typically capital-intensive, the organization expects to fund loans much larger than its average small business loans. PNC is the only financial institution participating in the MJII.
- PNC purchased a LISC bond, proceeds of which provided \$1 million in subordinated financing for the conversion of a warehouse building into a grocery store in the East Liberty section of Pittsburgh. East Liberty is a low-income community where past urban renewal efforts have had a low level of success. The store is expected to serve as an anchor and catalyst for further economic development in the area.
- PNC made cash contributions totaling \$750 thousand to a neighborhood community development organization to develop and implement a revitalization plan for the South Side area of Pittsburgh. Using the Pennsylvania Neighborhood Assistance Program, PNC earns tax credits by sponsoring an organization whose programs must serve low-income clients and residents of economically distressed neighborhoods. Begun in 1997, the current contributions are part of PNC's 10 year, \$2.5 million funding commitment. The substantial size of the contributions over an extended period of time provides the local community development group the financial strength, flexibility and stability it needs to better plan and execute meaningful development programs. This in turn has allowed it to seek and leverage public and private matching capital to support its efforts. In addition to its leadership role as financial sponsor, PNC also provides a high level of technical and community service assistance to the program.
- A \$125 thousand PRI to a non-profit organization is helping with site acquisition for a major affordable housing strategy in the Garfield area of Pittsburgh. A master plan has been developed that projects 50 housing units in Phase I. The PRI provides a flexible, revolving, low-cost funding base from which the plan can be initiated.

#### *Investments in Scranton Assessment Area*

In the Scranton assessment area there were 9 qualified investments and 80 qualified grants and donations totaling \$13.5 million and \$767 thousand respectively. Allocating statewide or regional investment totals based on deposits would add an additional \$338 thousand of investment benefits to the area. Over 85% of the investments were made during the current evaluation period. The level of investments is excellent and had a positive impact on the assessment area. A few investments were considered complex. Approximately 90% of the dollars were directed toward affordable housing, including \$10.1 million of local projects in a LIHTC fund. The bank's investments are also highly responsive to other area needs, including investments in programs that provide small business loans, and grants to organizations that seek to increase the community development capacity and services of the area. A limited level of investment opportunity exists in the area.

In the Scranton assessment area, the following are examples of PNC's CD investments:

- PNC provided \$514 thousand in LIHTC equity for a project that created 12 units of affordable housing in a building that had been part of a church. In addition to PNC, who also provided bridge loan financing, the project included city, county, and state government sources of funding as well as funds from the FHLB. The layers of funding sources as well as the desire to preserve certain architectural features of the building added to the complexity of the project.
- PNC made a \$100 thousand investment in a CDFI that operates a small business micro-loan fund. The fund has helped to create or preserve over 115 jobs in or near communities experiencing economic distress.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the investment test in the Erie, Johnstown, Lancaster, Reading, State College, and York MSA's is not inconsistent with the bank's overall "Outstanding" performance under the investment test in Pennsylvania. In the Allentown, Harrisburg, Williamsport, and non-MSA areas the bank's performance is weaker than the bank's overall performance in Pennsylvania due to lower investment volumes. These differences do not adversely impact the overall Investment Test rating and account for only a small portion of the bank's presence in Pennsylvania.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Review**

The bank's performance under the service test in Pennsylvania is rated "Outstanding." Based on full-scope reviews, the bank's performance in both the Pittsburgh and Scranton Wilkes-Barre assessment areas is excellent.

### **Retail Banking Services**

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

Delivery systems are readily accessible to geographies and individuals of different income levels in the Pittsburgh assessment area and in the Scranton assessment area.

In the Pittsburgh assessment area, the proportion of PNC's branches in low-income geographies exceeds the percentage of population living in low-income geographies. The proportion of branches in moderate-income geographies also exceeds the percentage population living in moderate-income geographies. In the Scranton assessment area, the proportion of PNC's branches in low-income geographies exceeds the percentage of population living in low-income geographies. The proportion of branches in moderate-income geographies significantly exceeds the percentage population living in moderate-income geographies. Furthermore, seventy-eight percent of low- and moderate-income geographies in the Pittsburgh assessment area are located

in within one mile of a PNC branch. Every low- and moderate-income geography in the Scranton assessment area is located within one mile of a PNC branch.

PNC's record of opening and closing branch offices has not adversely affected the accessibility of delivery systems in the Pittsburgh assessment area or the Scranton assessment area. During the review period the bank closed five branches in moderate-income geographies in the Pittsburgh assessment area and opened one branch in a moderate-income geography. The bank also closed a branch in a low-income geography. Customers from two of the branch closures in moderate-income geographies and the one low-income geography were moved to alternative locations within one mile of the original branch and remain in comparable geographies. The two remaining branches closed in moderate-income geographies were closed based on profit and loss analyses coupled with communications with local community groups and bank customers to ensure the financial needs of the community and the bank's customers would be appropriately addressed. Two branches were closed in the Scranton assessment area. One branch was located in a low-income geography and one branch in a moderate-income geography. Both branches provided alternative PNC branch sites less than .5 miles away in similar income geographies.

Branch hours are consistent with the bank's overall branching network with some branch hours tailored to individual communities, including low- and moderate-income communities. Current branch hours do not vary in a way that inconveniences the assessment area, particularly low- and moderate-income individuals. Alternative delivery systems, including the bank's ATM network and phone banking, are available in all geographies. According to an internal analysis provided by the bank, alternative delivery usage in low- and moderate-income geographies is comparable or greater than activity in middle- and upper-income geographies.

ATMs provide an especially viable alternative delivery channel that further enhances accessibility of persons in low- and moderate-income areas to PNC products and services. In the Pittsburgh assessment area, the distribution of ATMs in low-income geographies exceeds the percentage of population in low-income geographies. The distribution of ATMs in moderate-income geographies is near to the percentage of population in moderate-income geographies. Furthermore, the proportion of full service ATMs in low- and moderate-income areas is comparable to the proportion in middle- and upper-income geographies. In the Scranton assessment area, the percentage of ATMs in low-income geographies exceeds the percentage of population in these geographies, and the percentage of ATMs in moderate-income geographies significantly exceeds the percentage of population in these geographies. Furthermore, the proportion of full service ATMs in low- and moderate-income areas is comparable to the proportion in middle- and upper-income geographies. Check-cashing ATMs are also available to low- and moderate-income geographies.

During the evaluation period, the bank increased the availability of ATM service in Pittsburgh low- and moderate-income areas, including full-service and check-cashing ATMs. A net total of seven ATMs in low-income geographies and five ATMs moderate-income geographies were opened. The bank also increased by six the number ATMs in the downtown area of Pittsburgh that has no income classification, but is readily accessible to adjacent low- and moderate-income geographies. In the Scranton assessment area, one ATM was closed in a low-income geography;



however, an alternative ATM is available less than one mile away. A net total of one ATM was opened in a moderate-income geography.

Traditional banking services are available to consumer and business customers at all branch locations. Deposit services and loan products are varied and range from low- or no-cost checking accounts that serve basic customer financial needs to home mortgages that target low- and moderate-income first time home buyers. The bank also offers a range of loan products specifically tailored to low- and moderate-income individuals known as "Primary Access" accounts. The "Primary Access" program is an internally developed program that was initiated within low- and moderate-income geographies in the Philadelphia assessment area. Various products and services developed from this program have been implemented on a bank-wide basis. Initial components of the bank-wide program include lending products that provide an opportunity for individuals to initiate and rebuild a credit history, and a means to access home ownership for first time homebuyers.

### **Community Development Services**

PNC is a leader and provides an excellent level of community development services that target low- and moderate- income individuals and geographies in the Pittsburgh and Scranton assessment areas. Community development management and staff have been instrumental in providing the leadership and expertise to numerous community groups in obtaining Federal Home Loan Bank (FHLB) funding, organizing and guiding state and federal funding sources, and developing programs that promote financial literacy in low- and moderate-income geographies and to low- and moderate-income individuals. PNC staff and management actively participate in numerous economic development and revitalization organizations, provide financial expertise to community organizations benefiting low- and moderate-income individuals and geographies, and contribute technical expertise for small business and nonprofits, including micro-loan groups. The bank also developed and conducts financial training and affordable housing workshops targeted to low- and moderate-income geographies and low- and moderate-income individuals. Annual funding for these workshops throughout the PNC market exceeded \$86 thousand for 2001.

For example, during the review period, the bank provided:

- Sixty-six community development services relating to affordable housing in the Pittsburgh assessment area and forty-four in the Scranton assessment area;
- Eighty-four basic financial education courses in the Pittsburgh assessment area and five in the Scranton assessment area;
- Technical assistance to non-profit groups on twenty-eight occasions in the Pittsburgh assessment area and nine in the Scranton assessment area; and
- Loan review and credit expertise to several credit counseling services that target low- and moderate-income individuals.
- Resources as a conduit for FHLB bank funding for one 12 unit housing complex at \$50 thousand and has committed to three additional projects totaling \$977 thousand. These additional housing complexes will provide 164 units of affordable housing.

Specific examples of community development services in the Pittsburgh assessment area include:

- In February 2001, financial education sessions were held at Mt. Arrarat Baptist Church in East Liberty, a low- and moderate-income geographic area. Two sessions were held benefiting over 130 members and employing the Primary Access suite of accounts developed through PNC's Development Bank initiative.
- In the spring and fall of 2001, PNC's Community Consultant developed a program to bring Primary Access Budgeting and Basic Banking seminars in to a charter high school in the Lawrenceville section of Pittsburgh. Lawrenceville contains low- and moderate-income geographies, and the charter school primarily serves low- and moderate-income individuals. Sessions were held over an eight-week period and covered topics such as "What is a checking account" and "What is a bank."
- A PNC employee provided substantial leadership to the Hill District Federal Credit Union as its Board Chairman. Bank staff also helped to implement basic banking practices for this community financial institution that serves a low-income geography. PNC is also a non-member depositor with the credit union.
- PNC staff coordinated and facilitated Homebuyer's Clubs with Neighborhood Housing Services of Pittsburgh. The Homebuyer Club provides a variety of financial literacy sessions to a class of potential homeowners over a ten-week period. PNC provided \$15 thousand in funding relating to the program and graduated fifteen individuals from the first class. The Club and neighborhood Housing Services of Pittsburgh target affordable housing for low- and moderate-income first time homebuyers.

Some examples of community development services in the Scranton assessment area include:

- PNC participated in homebuyer and anti-predatory lending workshops sponsored by the Housing Development Corporation of Northeast PA (NEPA), including a workshop in which the bank provided staff to translate the workshops into Spanish.
- The bank is active in the Family Savings Account program, a program administered by the Commission on Economic Opportunity (CEO) to promote affordable housing and homeownership, small business, and higher education. PNC took a leadership role in collaborating with CEO and administering this service in NEPA. The bank continues its leadership role with over 35 of the 55 low- and moderate-income individuals completing the financial literacy program, obtaining bank accounts, and realizing state matching funds to assist them in buying a home, starting a small business, or financing education expenses.

### **Conclusions for Areas Receiving Limited Scope Reviews**

The evaluation of performance in areas receiving limited-scope reviews is limited to the distribution of branches by income level of the geography and the bank's record of opening and closing branches. Based on limited-scope reviews, the bank's performance under the service test

in the Erie MSA, the Williamsport MSA and the non-metropolitan geographies is not inconsistent with the bank's overall "Outstanding" performance under the service test in Pennsylvania. Low- and/or moderate-income geography branch distribution performance in the remaining limited-scope areas is weaker than the overall performance under the service test. The areas of weaker performance did not negatively impact the overall conclusions for the service test. Refer to Table 15 in the State of Pennsylvania section of appendix D for the facts and data that support these conclusions.

### Appendix A: Scope of Evaluation

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 a comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

<b>Time Period Reviewed</b>	<ul style="list-style-type: none"> <li>• Lending Test (excluding community development loans): January 1, 1998 through December 31, 2001</li> <li>• Community development loans: July 6, 1998 through December 31, 2001.</li> <li>• Investment and Service Tests: July 6, 1998 through March 31, 2002</li> </ul>	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
PNC Bank, N.A. (PNC) Pittsburgh, PA	Home mortgage loans, small business loans, community development loans, community development investments, community development services and branch services.	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
PNC Mortgage Company of America (PNC Mortgage)	Bank subsidiary	Home mortgage loans
PNC Community Partners, Inc. (a CDC)	Bank subsidiary	Community development loans, community development investments
The PNC Foundation	Bank affiliate	Community development investments
Columbia Housing	Bank subsidiary	Low Income Housing Tax Credits
PNC Capital Corporation (an SBIC)	Bank affiliate	Small Business Investment Company program investments

<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Cincinnati, OH Multistate MSA	Full Scope	Entire CMSA less Brown county in Ohio; and Gallatin, Grant and Pendleton counties in Kentucky
Louisville, KY Multistate MSA	Full Scope	Entire MSA less Bullitt county in Kentucky; and Harrison and Scott counties in Indiana
Philadelphia, PA Multistate MSA	Full Scope	Entire MSA less Salem county in New Jersey.
State of Florida Naples, FL MSA Florida Non-MSA	Full Scope Limited Scope	Entire MSA Includes only Indian River county
State of Kentucky Lexington, KY MSA Kentucky Non-MSA	Full Scope Limited Scope	Includes only Fayette county in the MSA Includes only Hardin county
State of New Jersey Bergen Passaic, NJ MSA Newark, NJ MSA Atlantic Cape May, NJ MSA Jersey City, NJ MSA Middlesex-Somerset- Hunterdon, NJ MSA Monmouth Ocean, NJ MSA Trenton, NJ MSA Vineland Milville, NJ MSA	Full Scope Full Scope Limited Scope Limited Scope Limited Scope Limited Scope Limited Scope Limited Scope Limited Scope	Entire MSA Entire MSA Entire MSA Entire MSA Entire MSA Entire MSA Entire MSA Entire MSA Entire MSA
State of Pennsylvania Pittsburgh, PA MSA Scranton Wilkes-Barre, PA MSA Allentown, PA MSA Erie, PA MSA Harrisburg, PA MSA Johnstown, PA MSA Lancaster, PA MSA Reading, PA MSA State College, PA MSA Williamsport, PA MSA York, PA MSA Pennsylvania Non-MSA	Full Scope Full Scope Limited Scope Limited Scope Limited Scope Limited Scope Limited Scope Limited Scope Limited Scope Limited Scope Limited Scope Limited Scope	Entire MSA less Beaver county Entire MSA less Wyoming county Entire MSA Entire MSA Entire MSA less Lebanon county Entire MSA less Cambria county Entire MSA Entire MSA Entire MSA Entire MSA Entire MSA Entire MSA Includes only Adams, Warren Huntingdon, Indiana, Monroe and Wayne counties

**Appendix B: Summary of Multistate Metropolitan and State Ratings**

	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank-State-Multistate Rating
<b>Overall Bank:</b>				
PNC Bank, N.A.	High Satisfactory	Outstanding	Outstanding	Outstanding
<b>Multistate Metropolitan Area:</b>				
Cincinnati, OH Multistate MSA	Low Satisfactory	Outstanding	Low Satisfactory	Satisfactory
Louisville, KY Multistate MSA	High Satisfactory	Outstanding	Outstanding	Outstanding
Philadelphia, PA Multistate MSA	High Satisfactory	Outstanding	Outstanding	Outstanding
<b>State Ratings:</b>				
State of Florida	Low Satisfactory	Outstanding	Low Satisfactory	Satisfactory
State of Kentucky	High Satisfactory	Outstanding	Low Satisfactory	Satisfactory
State of New Jersey	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
State of Pennsylvania	High Satisfactory	Outstanding	Outstanding	Outstanding

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

## Appendix C: Market Profiles for Full-Scope Areas

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**Cincinnati OH-KY Multistate CMSA (1640 3200)**

Demographic Information for Full Scope Area: Cincinnati OH-KY Multistate CMSA 1640 3200						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	421	11.16	19.24	45.13	23.75	0.71
Population by Geography	1,705,289	7.18	15.58	48.88	28.07	0.29
Owner-Occupied Housing by Geography	407,635	2.45	12.51	52.02	33.02	0.00
Business by Geography	71,412	6.85	12.53	48.50	31.58	0.53
Farms by Geography	2,151	1.86	8.14	65.46	24.45	0.09
Family Distribution by Income Level	449,908	19.52	17.33	23.79	39.36	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	165,797	13.11	23.69	49.25	13.95	0.00
Median Family Income		37,008	Median Housing Value		73,469	
HUD Adjusted Median Family Income for 2001		60,292	Unemployment Rate (1990 US Census)		2.59%	
Households Below Poverty Level		11.8%				

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

Source: 1990 US Census and 2001 HUD updated MFI

PNC's Cincinnati assessment area includes most of the Cincinnati multistate CMSA. The assessment area includes Clermont, Hamilton, Warren and Butler counties in Ohio, and Boone, Campbell and Kenton counties in Kentucky. The assessment area excludes Brown county in Ohio, and Gallatin, Grant and Pendleton counties in Kentucky. The bank's assessment area is in compliance with the CRA regulation. As of June 30, 2001, PNC had a deposit market share of 6.3% in the MSA. PNC has a deposit rank of 4 behind two super-regional banks and one regional bank. These three are headquartered in Ohio and have a combined 66.8% deposit market share. The bank derives 5.4% of its total deposits from the MSA. Forty-seven branches and 121 ATMs are located in the MSA.

Lending competition is strong. The bank's competitors include sub-prime lenders, nationwide mortgage and business lenders, multistate and regional banks as well as community banks.

The MSA is comprised of the City of Cincinnati and its surrounding suburban communities in Ohio and Kentucky. Other smaller cities within the MSA are Hamilton, Fairfield, and Middletown in Ohio, and Newport and Covington in Kentucky. Prominent industries are eating and drinking places, personnel supply services, home healthcare and personal care and security broker dealers. Large employers are the University of Cincinnati, Procter & Gamble, Health Alliance of Cincinnati, the Kroger Company and other healthcare firms. Primary sectors of employment are services, retail trade, manufacturing and government.

The recent U.S. economic downturn has impacted Cincinnati employment through the stagnation of previous growth in non-manufacturing jobs. This has allowed an increase in the continuing declines in manufacturing employment to increase the unemployment rate. Construction employment has also declined. Boycotts following 2001 riots have affected the convention and hospitality industries. Nevertheless, Cincinnati benefits from a concentration of corporate headquarters, which boost per capita income, and a growing biotech industry. Unemployment has increased from 3.5% in 2000 to 3.9% at the end of 2001 and 4.7% (unadjusted) in May 2002.



The median existing home price has increased at a moderate rate over the last several years. However, the increases have not significantly affected housing affordability, especially in consideration of the area's median family income. The 2001 median existing home price was \$130 thousand.

Housing in the Cincinnati area is relatively affordable; however, community contacts revealed that home improvement loans with small loan amounts would aid individuals in low- and moderate-income communities to maintain their homes. Small business development and job growth will benefit from small business lending programs and help to counter the adverse impact to manufacturing caused by the recent economic downturn. Ample community development opportunities are available through various community development programs and organizations active in the Cincinnati area.

**Louisville KY-IN Multistate MSA (4520)**

Demographic Information for Full Scope Area: Louisville KY-IN Multistate MSA 4520						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	228	9.65	22.37	39.91	27.63	0.44
Population by Geography	850,381	6.95	19.24	44.03	29.78	0.00
Owner-Occupied Housing by Geography	219,307	3.14	16.26	46.39	34.22	0.00
Business by Geography	35,520	6.97	22.10	35.46	35.47	0.00
Farms by Geography	986	1.12	11.56	45.33	41.99	0.00
Family Distribution by Income Level	232,175	20.24	17.46	22.27	40.03	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	87,535	12.57	28.66	44.06	14.71	0.00
Median Family Income		32,975	Median Housing Value		60,962	
HUD Adjusted Median Family Income for 2001		54,700	Unemployment Rate (1990 US Census)		3.06%	
Households Below Poverty Level		13.37%				

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

Source: 1990 US Census and 2001 HUD updated MFI

PNC's Louisville assessment area includes most of the Louisville multistate MSA. The assessment area includes Jefferson and Oldham counties in Kentucky, and Clark and Floyd counties in Indiana. The assessment area excludes Bullitt county in Kentucky, and Harrison and Scott counties in Indiana. The bank's assessment area is in compliance with the CRA regulation. As of June 30, 2001, PNC had a deposit market share of 14.2% in the MSA. PNC had a rank of 3 behind the Kentucky-headquartered affiliates of two large multistate banks. PNC and these two banks have a combined 58.6% deposit market share. The bank derives 5.9% of its total deposits from the MSA. Forty-seven branches and 122 ATMs are located in the MSA.

Lending competition is strong. The bank's competitors include sub-prime lenders, nationwide mortgage and business lenders, multistate and regional banks as well as community banks.

The MSA is comprised of the City of Louisville and its surrounding suburban communities in Kentucky and Indiana. Other smaller cities in the MSA are Jeffersontown and Shively in Kentucky, and Jeffersonville and New Albany in Indiana. Prominent industries are eating and drinking places; air transportation; department stores and computer/data processing. Large employers are United Parcel Service, Ford Motor Company, Norton Healthcare, the University of Louisville and other healthcare firms. Primary sectors of employment are services, retail trade, manufacturing and government.

Louisville weathered the current U.S. economic downturn relatively well, and local economic conditions are stabilizing. Most heavily affected has been manufacturing; however, auto sales promotions have helped to mitigate cutbacks at local auto factories. The construction industry has been robust particularly in residential construction. Investment in high technology, biotechnology and healthcare associated with the University of Louisville has been a positive factor. As a result, the technology downturn has not had a significant impact. The Louisville economy also benefits from its

growing role as a center for transportation services and manufacturing. The unemployment rate has increased from 3.4% in 2000 to 3.7% at the end of 2001 and 5.0% (unadjusted) in May 2002.

Relatively large increases in the median existing home price slowed during 2001. Nevertheless, homes remain relatively affordable. The 2001 median existing home price was \$118 thousand.

We considered information from ten community contacts associated with community development to determine community credit needs and community development opportunities. The organizations are involved in affordable housing, and small business and economic development. Identified needs in Louisville are affordable home mortgage lending that offers flexible underwriting, lower fees and reduced rates; working capital loans for small businesses; and small short-term loans to low- and moderate-income families to address emergencies. Examples of community development opportunities are single family housing, small business education programs, programs to counter predatory and payday lending and investment in home loan funds for low- and moderate-income persons. Many community development programs and organizations are active in the Louisville MSA.

**Philadelphia PA-NJ Multistate MSA (6160)**

Demographic Information for Full Scope Area: Philadelphia PA-NJ Multistate MSA 6160						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	1,254	8.13	15.55	44.42	29.11	2.79
Population by Geography	4,856,881	8.51	17.02	45.28	28.84	0.35
Owner-Occupied Housing by Geography	1,237,484	5.31	15.56	46.99	32.14	0.00
Business by Geography	200,065	4.99	10.60	43.23	40.52	0.66
Farms by Geography	4,727	0.87	4.21	50.03	44.87	0.02
Family Distribution by Income Level	1,250,375	19.70	17.68	23.76	38.86	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	467,427	15.66	26.33	44.33	13.68	0.00
Median Family Income		41,908	Median Housing Value		107,892	
HUD Adjusted Median Family Income for 2001		60,100	Unemployment Rate (1990 US Census)		2.92%	
Households Below Poverty Level		10.28%				

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

Source: 1990 US Census and 2001 HUD updated MFI

PNC's Philadelphia assessment area includes most of the Philadelphia multistate MSA. The assessment area includes Bucks, Chester, Delaware, Montgomery and Philadelphia counties in Pennsylvania and Burlington, Camden and Gloucester counties in New Jersey. The assessment area excludes Salem county in New Jersey. The bank's assessment area is in compliance with the CRA regulation. As of June 30, 2001, PNC had a deposit market share of 13.1% in the MSA. PNC has a rank of 2 behind one large multistate bank headquartered in North Carolina. The top 3 financial institutions had a combined market share of 47.2%. The bank derives 22.3% of its deposits from the MSA. One hundred fifty-three branches, including 2 branches in "NA" census tracts, and 761 ATMs are located in the MSA.

Lending competition is strong. The bank's competitors include sub-prime lenders, nationwide mortgage and business lenders, multistate and regional banks as well as community banks.

The MSA is comprised of the City of Philadelphia and its surrounding suburban communities in Pennsylvania and New Jersey. Other smaller cities within the MSA are Chester and Coatesville in Pennsylvania, and Camden, Burlington and Gloucester City in New Jersey. Prominent industries are hospitals, the Federal government, colleges and universities and miscellaneous business services. Large employers are the University of Pennsylvania, Jefferson Health System, Merck & Company, Tenet Healthcare and PNC. Primary sectors of employment are services which includes healthcare, retail trade, government and manufacturing.

A more diversified Philadelphia economy has allowed it to be less impacted by the U.S. economic downturn than in previous recessions. Nonetheless, business services employment has suffered due to a concentration of the troubled sectors of the technology industry in Philadelphia. Cutbacks in manufacturing have also affected the local economy. High business costs may be an impediment to future job growth. A stabilizing factor has been the healthcare industry which has expanded during the downturn. Biotechnology has also experienced gains in venture capital funding which could stimulate

job growth. The unemployment rate has increased from 4.0% in 2000 to 4.3% in 2001 and 5.5% (unadjusted) in May 2002.

The median existing home price has increased at a moderate rate over the last several years. Given the area's median family income, home prices remain relatively affordable. The 2001 median existing home price was \$134 thousand.

We considered information from nineteen community contacts associated with community development to determine community credit needs and community development opportunities. The organizations are involved in affordable housing, community development and economic development. Credit needs in Philadelphia are affordable home purchase/rehabilitation lending with flexible underwriting, a streamlined application process and more borrower assistance; and loans to small businesses in low- and moderate-income neighborhoods. Community development opportunities include credit counseling and money management guidance to help stem the use of subprime and predatory lenders, Low Income Housing Tax Credit investments and low-rate loans to non-profit organizations to develop affordable housing, and low cost deposit accounts and branches for low- and moderate-income neighborhoods. Many community development programs and organizations are active in the Philadelphia MSA.

## State of Florida Full-Scope Area

### Naples FL (5345)

Demographic Information for Full Scope Area: Naples FL 5345						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	31	6.45	12.90	41.94	38.71	0.00
Population by Geography	152,099	5.23	10.56	59.09	25.11	0.00
Owner-Occupied Housing by Geography	43,319	1.18	7.73	57.92	33.17	0.00
Business by Geography	13,163	1.51	4.32	59.41	34.76	0.00
Farms by Geography	579	1.38	16.93	62.00	19.69	0.00
Family Distribution by Income Level	44,136	17.77	19.99	22.95	39.29	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	16,666	8.45	16.01	60.16	15.38	0.00
Median Family Income		38,428	Median Housing Value		161,155	
HUD Adjusted Median Family Income for 2001		65,000	Unemployment Rate (1990 US Census)		1.83%	
Households Below Poverty Level		8.05%				

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

Source: 1990 US Census and 2001 HUD updated MFI

PNC's Naples assessment area includes all of the Naples MSA which is comprised of Collier county. As of June 30, 2001, PNC had a deposit market share of 0.1% in the MSA. PNC had a rank of 30, or last among all banks with offices in the Naples MSA. Other financial institutions in the market include large multistate banks headquartered outside of Florida, their affiliates headquartered in Florida, as well as, a variety of mid-size and community banks, and thrifts. The bank derives 0.01% of its total deposits from the MSA. One branch, or 50% of the bank's total branches in Florida, is located in the MSA.

Competition is strong. The bank's competitors include sub-prime lenders, nationwide mortgage and business lenders, multistate and regional banks as well as community banks.

The MSA is comprised primarily of the City of Naples and its surrounding suburban communities. Naples is one of the more affluent resort and retirement areas in the State of Florida, and its 2001 HUD adjusted median family income is the highest in the state. A large percent of Naples' population are retirees. Naples' economy is seasonal and its population is a mix of wealthy retirees and lower waged employees. Prominent industries are eating and drinking places, personnel supply services, grocery stores and hotels. Large employers are Naples Community Hospital, Publix Super Markets, Ritz-Carlton Hotel, Marriott and Island Walk Home Owners Association. Primary sectors of employment are services, retail trade and construction.

The downturn in the U.S. economy has not led to recession in the Naples MSA, but only slowed the rate of economic growth. The area continues to experience significant population growth, as relatively wealthy retirees from the Midwest and northeast move to Naples. The growth helps to protect Naples from adverse U.S. economic trends. The population growth also fuels expanding service, construction and retail industries. Manufacturing employment has decreased; however, manufacturing is a very

small industry in Naples. The unemployment rate increased slightly from 3.5% in 2000 to 3.6% at the end of 2001, but decreased to 2.8% (unadjusted) in May 2002. The May percentage is well below the national rate.

The median existing home price has increased at a significant pace over the last several years. The relatively high housing prices and price growth rate adversely affect housing affordability. The median existing home price was \$250 thousand in 2001.

Community contact information revealed that banks should participate in available home purchase and small business programs. The City of Naples and Collier county offer downpayment assistance programs. Supplementing these regional programs is the State of Florida's "SHIP" program which provides additional funds to make home purchases more affordable. Collier county has a small business loan program that provides funds for new and growing businesses.

## State of Kentucky Full-Scope Area

### Lexington KY (4280)

Demographic Information for Full Scope Area: Lexington KY 4280						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	55	7.27	21.82	30.91	38.18	1.82
Population by Geography	225,366	5.75	20.75	31.78	41.59	0.13
Owner-Occupied Housing by Geography	47,460	3.35	14.65	32.33	49.68	0.00
Business by Geography	10,931	5.14	26.32	31.72	36.19	0.63
Farms by Geography	469	2.99	10.23	33.05	53.73	0.00
Family Distribution by Income Level	56,873	19.18	15.11	20.47	45.25	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	19,500	11.36	29.86	35.34	23.44	0.00
Median Family Income		32,687	Median Housing Value		80,148	
HUD Adjusted Median Family Income for 2001		55,200	Unemployment Rate (1990 US Census)		2.55%	
Households Below Poverty Level		14%				

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

Source: 1990 US Census and 2001 HUD updated MFI

PNC's Lexington assessment area includes a small part of the Lexington MSA. The assessment area includes Fayette county, but excludes Bourbon, Clark, Jessamine, Madison, Scott and Woodford counties. The bank's assessment area is in compliance with the CRA regulation. As of June 30, 2001, PNC had a deposit market share of 1.9% in the MSA. PNC has a rank of 18 behind several Kentucky- and Ohio-headquartered affiliates of large multistate banks, mid-size banks, and community banks and thrifts. The bank derives 0.3% of its total deposits from the MSA. Four branches, or 50% of the bank's total branches in Kentucky, are located in the MSA. The MSA also contains 17 ATMs.

Competition is strong. The bank's competitors include sub-prime lenders, nationwide mortgage and business lenders, multistate and regional banks as well as community banks.

The MSA is comprised of the City of Lexington and its closest surrounding suburban communities. Prominent industries are government, hospitals, motor vehicles and department stores. Large employers are the University of Kentucky, Toyota, Lexmark and the University of Kentucky hospital and other manufacturers. Primary sectors of employment are services, government, retail trade and manufacturing.

The downturn in the U.S. economy had a relatively mild impact on Lexington, and the local economy is already stabilizing. Over the last decade, Lexington's economy has been the fastest growing in Kentucky. The area's large manufacturing sector experienced a slow-down that was somewhat mitigated by the auto sales incentives which helped to reduce auto factory employment reductions. Furthermore, the construction industry continues to experience significant employment expansion, in part due to noteworthy population growth, as Lexington has become a popular retirement location. Agriculture and horse farms are large industries, but have had neutral performance. The equine industry was affected by an unknown disease that many killed foals and limited new births. The



unemployment rate increased from a very low 2.1% in 2000 to 2.9% at the end of 2001 and 3.5% (unadjusted) in May 2002. The May percentage is well below the national rate.

The median existing home price has increased at a relatively quick rate over the last several years. Nevertheless, housing remains relatively affordable. The median existing home price was \$122 thousand in 2001.

We considered information from nine community contacts associated with community development to determine community credit needs and community development opportunities. The organizations are involved in affordable housing, and small business and economic development. Credit needs in Louisville are affordable home mortgage lending; small business loans, especially for start-up businesses; and loans to finance residential renovation projects. Examples of community development opportunities are the development of low- and moderate-income housing with the assistance of Low Income Housing Tax Credit investments and other financing arrangements, and better banking services in the Georgetown area. Many community development programs and organizations are active in the Lexington MSA.

## State of New Jersey Full-Scope Areas

### Bergen Passaic NJ (0875)

Demographic Information for Full Scope Area: Bergen Passaic NJ 0875						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	303	6.60	15.18	42.57	22.11	13.53
Population by Geography	1,278,440	4.18	18.73	52.23	24.82	0.04
Owner-Occupied Housing by Geography	296,445	0.79	11.01	56.56	31.64	0.00
Business by Geography	71,255	3.27	15.08	53.25	28.31	0.10
Farms by Geography	1,235	0.73	6.15	56.68	36.36	0.08
Family Distribution by Income Level	343,174	18.58	18.93	23.58	38.91	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	128,725	7.73	28.31	50.93	13.03	0.00
Median Family Income		52,659	Median Housing Value		208,657	
HUD Adjusted Median Family Income for 2001		74,600	Unemployment Rate (1990 US Census)		2.94%	
Households Below Poverty Level		6.33%				

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

Source: 1990 US Census and 2001 HUD updated MFI

PNC's Bergen Passaic assessment area consists of the entire MSA. Bergen and Passaic counties comprise the assessment area. As of June 30, 2001, PNC had a deposit market share of 6.9% in the MSA. PNC had a rank of 4 behind one large multistate bank headquartered in Rhode Island, one large community bank and one savings bank, both of which are headquartered in New Jersey. The bank derives 5.7% of its total deposits from the MSA. Forty-two branches, or 22% of the bank's total branches in New Jersey, are located in the MSA. The MSA also contains 72 ATMs.

Lending competition is strong. The bank's competitors include sub-prime lenders, nationwide mortgage and business lenders, multistate and regional banks as well as community banks.

The MSA is comprised of suburban and urban communities with proximity to New York City. The MSA includes the following cities: Hackensack, Clifton, Passaic and Paterson. Prominent industries are hospitals, personnel supply services, miscellaneous business services and commercial banks. Large employers are Grand Union Company, Linens and Things, Hoffman-La Roche, Hackensack Medical Center and other hospitals. Primary sectors of employment are services which includes health care, retail trade, manufacturing and government.

The decline in the U.S. economy has particularly impacted the Bergen Passaic economy's manufacturing sector. The MSA has had relatively large employment in non-durable goods production which has experienced significant job losses. The area's high cost of doing business will likely impair recovery in this sector. The transportation industry has been affected by the economic downturn, especially for airline and package delivery employment. Weakening commercial and industrial real estate markets have impacted construction employment. The unemployment rate has increased from its low of 3.7% in 2000 to 4.3% at the end of 2001 and 5.3% (unadjusted) in May 2002.

Increasing housing prices are adversely impacting the availability of affordable housing. Demand for housing relatively close to New York City and limited increases in supply are driving up prices despite economic factors. In 2001, the median existing home price was \$286 thousand.

We considered information from four community contacts associated with community development to determine community credit needs and community development opportunities. The organizations are involved in affordable housing, credit counseling and legal aid for low- and moderate-income persons. High housing costs and high taxes create a need for affordable and flexible home mortgage loans. Loans for home rehabilitation are also a credit need. Homeownership counseling will help low- and moderate-income individuals understand the economics of home ownership in this high cost environment. Positive comments regarding PNC consisted of its participation in the American Dream program. The Bergen-Passaic area has many active community development programs and organizations.

### Newark NJ (5640)

Demographic Information for Full Scope Area: Newark NJ 5640						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	483	12.84	22.57	36.44	25.05	3.11
Population by Geography	1,915,928	8.71	21.48	39.20	30.57	0.04
Owner-Occupied Housing by Geography	409,163	1.98	11.73	44.58	41.71	0.00
Business by Geography	92,564	6.80	12.95	41.93	38.28	0.03
Farms by Geography	2,068	0.53	3.97	51.35	44.15	0.00
Family Distribution by Income Level	500,112	20.05	17.75	23.61	38.60	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	189,013	15.85	32.71	36.99	14.44	0.00
Median Family Income		50,047	Median Housing Value		174,740	
HUD Adjusted Median Family Income for 2001		74,000	Unemployment Rate (1990 US Census)		3.4%	
Households Below Poverty Level		8.85%				

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

Source: 1990 US Census and 2001 HUD updated MFI

PNC's Newark assessment area consists of the entire MSA. The assessment area is in Essex, Morris, Sussex, Union and Warren counties. As of June 30, 2001, PNC had a deposit market share of 7.8% in the MSA. PNC had a rank of 3 behind two large multistate banks, one headquartered in North Carolina and one in Rhode Island. The bank derives 6.8% of its total deposits from the MSA. Fifty-one branches, or 27% of the bank's total branches in New Jersey, are located in the MSA. The MSA also contains 115 ATMs.

Lending competition is strong. The bank's competitors include sub-prime lenders, nationwide mortgage and business lenders, multistate and regional banks as well as community banks.

Much of the MSA is comprised of urban and suburban communities with proximity to New York City. The MSA includes the following cities Newark, Elizabeth, East Orange, Linden and Plainfield.

Prominent industries are hospitals, pharmaceuticals, computer/data processing and miscellaneous business services. Large employers are Continental Airlines, Prudential Insurance, Merck & Company as well as telecommunication firms and other health care services. Primary sectors of employment are services including health care, government and retail trade.

The U.S. economic downturn and the significant retrenchment of the telecommunications industry have impacted the Newark MSA. Large telecommunications firms had been among Newark's largest employers. The industry is not expected to recover in the near term and affected manufacturing and well-paying technical and managerial employment. Other manufacturing, construction and transportation have also experienced declining employment. The pharmaceutical industry has a large presence in Newark which could offer some stability. The unemployment rate has historically been below the national average, but has increased from its low of 3.7% in 2000 to 4.3% at the end of 2001 and 5.5% (unadjusted) for May 2002.

Despite aforementioned economic factors, the availability of affordable housing is being affected by the quickly increasing median price for existing homes. In 2001, the median existing home price was \$260 thousand.

We considered information from four community contacts associated with community development to determine community credit needs and community development opportunities. The organizations are involved in affordable housing, small business development and social services. Affordable housing is a need, especially for the low- and moderate-income residents of the City of Newark. Prospective borrowers would also benefit from credit counseling and education programs for first time homebuyers. While the economy was not a factor in these community contacts, the contacts indicated that banks should provide financing and technical assistance for small businesses. Community development programs and organizations are active in the Newark area.

## State of Pennsylvania Full-Scope Areas

### Pittsburgh PA (6280)

Demographic Information for Full Scope Area: Pittsburgh PA 6280						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	720	4.86	23.75	44.86	20.83	5.69
Population by Geography	2,208,718	2.73	20.52	50.39	26.17	0.19
Owner-Occupied Housing by Geography	610,463	1.15	18.24	53.08	27.53	0.00
Business by Geography	90,515	2.55	21.23	43.22	31.11	1.90
Farms by Geography	2,410	0.46	14.27	63.15	21.95	0.17
Family Distribution by Income Level	606,226	19.35	18.03	22.65	39.97	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	226,619	5.32	30.40	51.76	12.52	0.00
Median Family Income		32,787	Median Housing Value		58,072	
HUD Adjusted Median Family Income for 2001		45,500	Unemployment Rate (1990 US Census)		3.22%	
Households Below Poverty Level		12.66%				

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

Source: 1990 US Census and 2001 HUD updated MFI

PNC's Pittsburgh assessment area includes most of the Pittsburgh MSA. The assessment area includes Allegheny, Butler, Fayette, Washington and Westmoreland counties, but excludes Beaver county. The bank's assessment area is in compliance with the CRA regulation. As of June 30, 2001, PNC had a deposit market share of 24.2% in the MSA. PNC had a rank of 1. The top 3 financial institutions had a combined market share of 65.7%. The bank derives 25.1% of its total deposits from the MSA. Ninety-seven branches, including 2 branches in "NA" census tracts - or 41% of the bank's total branches in Pennsylvania, are located in the MSA. The MSA also contains 321 ATMs.

Competition is strong. The bank's competitors include sub-prime lenders, nationwide mortgage and business lenders, multistate and regional banks as well as community banks.

The MSA is comprised of the City of Pittsburgh and its surrounding suburban communities. Smaller cities are embedded within these communities and include Butler, Uniontown, Washington and Greensburg. Prominent industries are hospitals/personal care, colleges/universities, commercial banks and air transportation. Large employers are UPMC Health System, US Airways, West Penn Allegheny Health System, the University of Pittsburgh, other health care firms and banks. Primary sectors of employment are services which include healthcare, retail trade, manufacturing and government. From 1970 to 1990, a severe decline in the metals industry resulted in the loss of over half of the region's manufacturing jobs.

Increasing diversification in Pittsburgh's economy since 1990 has caused it to be less affected by the current U.S. economic downturn than in previous downturns. Nevertheless, transportation employment has suffered particularly through the impact on airlines. A slowdown in the housing market has also contributed to cutbacks in construction industry employment. A diverse base of technology-driven industries has helped mitigate employment losses in other sectors as well as to

reduce the impact of a significant nationwide retrenchment in certain technology industries. The unemployment rate bottomed at 4.0% in 2000 and increased to 4.3% at the end of 2001 and 5.2% on an adjusted basis for May 2002.

Housing remains relatively affordable in the MSA. The median existing home price has shown a modest steady increase over the last several years. The 2001 median existing home price was \$97 thousand. Population growth has been weak, and a high proportion of the population is elderly compared to the rest of the nation.

We considered information from eleven community contacts associated with community development to determine community credit needs and community development opportunities. The organizations are involved in affordable housing, community development and economic development. Credit needs in Pittsburgh are affordable home purchase/rehabilitation lending with flexible underwriting for low- and moderate-income neighborhoods, lending to supplant subprime lenders and small business loans. Community development opportunities include bank services for underserved communities, homeownership counseling and economic redevelopment through small business growth and industrial development projects. Many community development programs and organizations are active in the Pittsburgh MSA although capacity is uneven throughout the area.

### Scranton Wilkes-Barre PA (7560)

Demographic Information for Full Scope Area: Scranton Wilkes-Barre PA 7560						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	182	1.10	12.09	75.82	10.99	0.00
Population by Geography	610,390	0.45	9.84	75.49	14.22	0.00
Owner-Occupied Housing by Geography	162,982	0.01	7.27	78.13	14.59	0.00
Business by Geography	25,238	3.56	12.03	68.58	15.83	0.00
Farms by Geography	768	0.13	4.95	79.04	15.89	0.00
Family Distribution by Income Level	164,401	18.45	18.90	24.69	37.96	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	61,407	0.34	13.71	78.03	7.91	0.00
Median Family Income		30,676	Median Housing Value		60,241	
HUD Adjusted Median Family Income for 2001		43,300	Unemployment Rate (1990 US Census)		2.74%	
Households Below Poverty Level		12.26%				

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

Source: 1990 US Census and 2001 HUD updated MFI

PNC's Scranton Wilkes-Barre assessment area consists of most of the Scranton Wilkes-Barre MSA. The assessment area includes Columbia, Lackawanna and Luzerne counties, but excludes Wyoming county. The bank's assessment area is in compliance with the CRA regulation. As of June 30, 2001, PNC had a deposit market share of 23.1% in the MSA. PNC had a rank of 1. The second ranking financial institution had a much smaller 9.1% market share. The bank derives 5.0% of its total deposits from the MSA. Forty branches, or 17% of the bank's total branches in Pennsylvania, are located in the MSA. The MSA also contains 81 ATMs.

Lending competition is strong. Competitors include sub-prime lenders, nationwide mortgage and business lenders, multistate and regional banks as well as community banks.

The MSA is comprised of the Cities of Scranton and Wilkes-Barre and their surrounding suburbs, as well as, Hazleton in the southwestern portion of the area. Pittston and Carbondale are smaller cities among the Scranton Wilkes-Barre surrounding communities. Significant industries are hospitals and personal care facilities, grocery stores and department stores. Large employers are Allied Services, Wyoming Valley Health Care Systems, WEA Manufacturing, Techneglas, other manufacturers and other health care facilities. Primary sectors of employment are services which includes health care, manufacturing, retail trade and government.

The U.S. economic downturn has impacted the MSA through significant declines in the manufacturing sector, a significant employer. However, business service centers such as back office operations have expanded due to the relatively low cost of doing business in the MSA. This expansion as well as growth in warehouse and distribution services has somewhat mitigated manufacturing weakness. The unemployment rate rose from a low of 4.9% in 2000 to 5.4% at the end of 2001, before peaking above 6.1% (unadjusted) in May 2002. Employment gains in business services and transportation were not sufficient to completely offset job losses in manufacturing.

Housing remains relatively affordable in the MSA. The median existing home price has shown a modest steady increase over the last several years. The exception, despite the weak economy, was a 14% increase in 2001. Nevertheless, the 2001 median existing home price was \$110 thousand.

We considered information from four community contacts associated with community development to determine community credit needs and community development opportunities. The organizations are involved in affordable housing and job training for low- and moderate-income persons. The economy is transitioning from manufacturing to services, leading to relatively high unemployment. Credit needs include small business loans with flexible underwriting to facilitate job growth. An aging housing stock available to low- and moderate-income residents creates a need for home improvement financing with flexible terms and underwriting. Down payment and closing cost assistance would help low- and moderate-income persons to purchase dwellings. Positive comments regarding PNC included its affordable housing loans products with competitive rates and home equity products for low-income borrowers. Active community development programs and organizations are somewhat limited in the Scranton Wilkes-Barre area.

# Appendix D: Tables of Performance Data

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## Content of Standardized Tables

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A separate set of tables is provided for each state. All multistate metropolitan areas are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30<sup>th</sup> of each year. Tables without data are not included in this PE.

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

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. Refer to Interagency Q&As \_\_.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank, if applicable, over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table

also presents market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Home Mortgage Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition,

the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

**Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL) -** For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

**Table 14. Qualified Investments -** Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As \_\_.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. When such investments exist, insert a line item with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column.

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

Institution ID: 1316 - PNC Bank, N.A.

**Table 1. Lending Volume**

LENDING VOLUME												
Geography: MULTISTATE MSA's												
Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001												
MA/Assessment Area (2001):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>												
Cincinnati OH Multistate	100.00	15,924	1,201,420	3,392	488,726	2	520	11	12,590	19,329	1,703,256	100.00
Louisville KY Multistate	100.00	16,830	1,043,576	3,573	422,073	7	915	22	20,480	20,432	1,487,044	100.00
Philadelphia PA Multistate	100.00	38,577	2,445,785	11,571	1,426,300	1	50	89	28,377	50,238	3,900,512	100.00

\* Loan Data as of December 31, 2001. Rated area refers to either the state or multistate MA rating area.

\*\* The evaluation period for Community Development Loans is from July 6, 1998 through December 31, 2001.

\*\*\* Deposit Data as of June 30, 2001. Rated Area refers to the state, multistate MA, or institution, as appropriate.

**Table 1. Other Products**

LENDING VOLUME		Geography: MULTISTATE MSA's				Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001						% of Rated Area Deposits in AA***		
MA/Assessment Area (2001):	% of Rated Area Loans (#) in MA/AA*	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**			Other Secured Consumer**	
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)		#	\$ (000's)
<b>Full Review:</b>														
Cincinnati OH Multistate	0	0	0	0	0	0	0	0	0	0	0	0	0	100.00
Louisville KY Multistate	0	0	0	0	0	0	0	0	0	0	0	0	0	100.00
Philadelphia PA Multistate	0	0	0	0	0	0	0	0	0	0	0	0	0	100.00

**PNC presented no optional loan information; as a result, these loans were not subject to review.**

\* Loan Data as of December 31, 2001. Rated area refers to either the state or multistate MA rating area.

\*\* The evaluation period for Optional Product Line(s) is From January 01, 1998 to December 31, 2001.

\*\*\* Deposit Data as of June 30, 2001. Rated Area refers to the state, multistate MA, or institution, as appropriate.

**Table 1. Other Products**

LENDING VOLUME		Geography: MULTISTATE MSA's		Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001	
MA/Assessment Area (2001):	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>					
Cincinnati OH Multistate	0	0	0	0	
Louisville KY Multistate	0	0	0	0	
Philadelphia PA Multistate	0	0	0	0	

**PNC presented no optional loan information; as a result, these loans were not subject to review.**

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\* The evaluation period for Optional Product Line(s) is From January 01, 1998 to December 31, 2001.

Institution ID: 1316 - PNC Bank, N.A.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: MULTISTATE MSA's					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
Cincinnati OH Multistate 1640 3200	4,115	100.00	2.45	2.58	12.51	7.41	52.02	50.30	33.02	39.71	2.70	2.33	1.58	2.53	3.31	
Louisville KY Multistate 4520	4,464	100.00	3.14	2.93	16.26	18.30	46.39	43.17	34.22	35.60	5.11	3.07	3.95	5.07	5.79	
Philadelphia PA Multistate 6160	9,638	100.00	5.31	8.45	15.56	19.91	46.99	38.47	32.14	33.13	3.55	8.03	4.61	3.48	3.10	

\* Based on 2000 Peer Mortgage Data: US & PR.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Institution ID: 1316 - PNC Bank, N.A.

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT		Geography: MULTISTATE MSA's					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
Cincinnati OH Multistate 1640 3200	3,659	100.00	2.45	1.80	12.51	7.49	52.02	50.20	33.02	40.50	11.40	9.65	6.45	10.61	15.27	
Louisville KY Multistate 4520	3,358	100.00	3.14	2.00	16.26	13.64	46.39	49.88	34.22	34.48	15.13	7.69	9.95	15.65	18.07	
Philadelphia PA Multistate 6160	9,450	100.00	5.31	3.98	15.56	12.52	46.99	44.29	32.14	39.22	8.40	9.04	9.41	7.92	8.64	

\* Based on 2000 Peer Mortgage Data: US & PR.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.



Institution ID: 1316 - PNC Bank, N.A.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE															Geography: MULTISTATE MSA's					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography *													
	#	% of Total**	% 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									
<b>Full Review:</b>																								
Cincinnati OH Multistate 1640 3200	8,145	100.00	2.45	1.04	12.51	5.73	52.02	48.14	33.02	45.08	4.44	0.94	1.88	4.14	6.60									
Louisville KY Multistate 4520	9,000	100.00	3.14	0.99	16.26	10.16	46.39	45.18	34.22	43.68	8.45	2.12	4.34	8.73	11.83									
Philadelphia PA Multistate 6160	19,473	100.00	5.31	1.87	15.56	7.98	46.99	46.13	32.14	44.00	7.74	3.66	4.11	7.96	9.67									

\* Based on 2000 Peer Mortgage Data: US & PR.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

**Institution ID: 1316 - PNC Bank, N.A.**

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY															
Geography: MULTISTATE MSA's							Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001								
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography *				
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Cincinnati OH Multistate 1640 3200	5	100.00	16.80	20.00	19.20	40.00	44.35	40.00	19.64	0.00	0.00	0.00	0.00	0.00	
Louisville KY Multistate 4520	8	100.00	17.68	25.00	19.28	12.50	38.32	62.50	24.72	0.00	5.08	12.50	0.00	8.70	0.00
Philadelphia PA Multistate 6160	16	100.00	7.06	0.00	13.35	6.25	50.11	75.00	29.48	18.75	0.31	0.00	0.00	0.00	1.23

\* Based on 2000 Peer Mortgage Data: US & PR.

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

Institution ID: 1316 - PNC Bank, N.A.

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES															
Geography: MULTISTATE MSA's															
Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001															
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Cincinnati OH Multistate 1640 3200	3,392	100.00	6.85	5.04	12.53	9.11	48.50	45.67	31.58	39.30	2.10	1.78	1.68	2.02	2.49
Louisville KY Multistate 4520	3,573	100.00	6.97	6.94	22.10	20.65	35.46	32.27	35.47	40.13	3.85	3.74	4.83	3.21	4.19
Philadelphia PA Multistate 6160	11,571	100.00	4.99	4.57	10.60	10.10	43.23	40.32	40.52	43.58	2.39	4.07	3.02	2.24	2.42

\* Based on 2000 Peer Small Business Data: US&PR.

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

\*\*\* Source Data - Dun and Bradstreet (2001).

Institution ID: 1316 - PNC Bank, N.A.

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS															
Geography: MULTISTATE MSA's							Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001								
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Cincinnati OH Multistate 1640 3200	2	100.00	1.86	0.00	8.14	0.00	65.46	0.00	24.45	100.00	0.65	0.00	0.00	0.00	2.70
Louisville KY Multistate 4520	7	100.00	1.12	14.29	11.56	14.29	45.33	28.57	41.99	42.86	2.50	100.00	0.00	0.00	0.00
Philadelphia PA Multistate 6160	1	100.00	0.87	0.00	4.21	0.00	50.03	100.00	44.87	0.00	0.00	0.00	0.00	0.00	

\* Based on 2000 Peer Small Business Data: US&PR.

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

\*\*\* Source Data - Dun and Bradstreet (2001).

Institution ID: 1316 - PNC Bank, N.A.

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: MULTISTATE MSA's					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001					Market Share <sup>*</sup>				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>						
<b>Full Review:</b>																
Cincinnati OH Multistate 1640 3200	4,115	100.00	19.52	12.95	17.33	27.79	23.79	19.94	39.36	39.32	2.70	2.17	2.06	1.71	2.98	
Louisville KY Multistate 4520	4,464	100.00	20.24	28.26	17.46	22.70	22.27	20.57	40.03	28.46	5.11	7.24	4.83	4.87	5.18	
Philadelphia PA Multistate 6160	9,638	100.00	19.70	35.01	17.68	21.98	23.76	13.30	38.86	29.71	3.55	4.87	2.35	1.65	2.43	

\* Based on 2000 Peer Mortgage Data: US & PR.

\*\* As a percentage of loans with borrower income information available. No information was available for 18.88% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

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

Institution ID: 1316 - PNC Bank, N.A.

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT		Geography: MULTISTATE MSA's					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001					Market Share <sup>*</sup>				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>						
<b>Full Review:</b>																
Cincinnati OH Multistate 1640 3200	3,659	100.00	19.52	10.08	17.33	20.60	23.79	26.13	39.36	43.19	11.40	9.91	8.54	9.98	16.72	
Louisville KY Multistate 4520	3,358	100.00	20.24	16.15	17.46	20.09	22.27	25.28	40.03	38.48	15.13	15.44	13.95	13.70	18.58	
Philadelphia PA Multistate 6160	9,450	100.00	19.70	12.45	17.68	17.79	23.76	22.25	38.86	47.50	8.40	7.73	8.00	7.47	10.01	

\* Based on 2000 Peer Mortgage Data: US & PR.

\*\* As a percentage of loans with borrower income information available. No information was available for 0.34% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

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

Institution ID: 1316 - PNC Bank, N.A.

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE															Geography: MULTISTATE MSA's					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>*</sup>													
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	Overall	Low	Mod	Mid	Upp							
<b>Full Review:</b>																								
Cincinnati OH Multistate 1640 3200	8,145	100.00	19.52	7.27	17.33	18.41	23.79	26.39	39.36	47.92	4.44	2.99	3.88	4.31	7.01									
Louisville KY Multistate 4520	9,000	100.00	20.24	9.11	17.46	18.22	22.27	26.07	40.03	46.60	8.45	6.01	7.80	9.82	12.21									
Philadelphia PA Multistate 6160	19,473	100.00	19.70	7.64	17.68	15.64	23.76	24.54	38.86	52.18	7.74	4.32	6.38	8.50	11.50									

\* Based on 2000 Peer Mortgage Data: US & PR.

\*\* As a percentage of loans with borrower income information available. No information was available for 4.18% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

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

## Institution ID: 1316 - PNC Bank, N.A.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: MULTISTATE MSA's			Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Cincinnati OH Multistate 1640 3200	3,392	100.00	85.27	37.71	67.92	14.95	17.13	2.10	3.11
Louisville KY Multistate 4520	3,573	100.00	84.43	38.37	74.34	12.73	12.93	3.85	6.69
Philadelphia PA Multistate 6160	11,571	100.00	84.36	34.98	74.38	12.55	13.08	2.46	4.19

\* Based on 2000 Peer Small Business Data: US&PR.

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2001).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 32.08% of small loans to businesses originated and purchased by the bank.



Institution ID: 1316 - PNC Bank, N.A.

**Table 12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS									
Geography: MULTISTATE MSA's					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001				
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Cincinnati OH Multistate 1640 3200	2	100.00	92.61	50.00	50.00	0.00	50.00	0.65	0.00
Louisville KY Multistate 4520	7	100.00	90.16	28.57	57.14	28.57	14.29	2.50	0.00
Philadelphia PA Multistate 6160	1	100.00	88.01	0.00	100.00	0.00	0.00	0.00	0.00

\* Based on 2000 Peer Small Business Data: US&PR.

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

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2001).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 70.00% of small loans to farms originated and purchased by the bank.

Institution ID: 1316 - PNC Bank, N.A.

**Table 13. Geographic and Borrower Distribution of Consumer Loans (Institution’s Option)**

Geographic and Borrower Distribution: CONSUMER LOANS																		
Geography: MULTISTATE MSA’s										Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001								
MA/Assessment Area:	Geographic Distribution										Borrower Distribution							
	Total Consumer Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers	
	#	% of Total*	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans
<b>Full Review:</b>																		
Cincinnati OH Multistate 1640 3200	0	0.00	7.06	0.00	16.55	0.00	49.41	0.00	26.97	0.00	23.73	0.00	15.80	0.00	19.48	0.00	40.99	0.00
Louisville KY Multistate 4520	0	0.00	7.12	0.00	19.76	0.00	43.69	0.00	29.43	0.00	24.14	0.00	15.75	0.00	18.97	0.00	41.14	0.00
Philadelphia PA Multistate 6160	0	0.00	7.73	0.00	17.16	0.00	46.73	0.00	28.38	0.00	24.01	0.00	15.79	0.00	20.28	0.00	39.92	0.00

**PNC presented no optional loan information; as a result, these loans were not subject to review.**

\* Consumer loans originated and purchased in the MA/AA as a percentage of all consumer loans originated and purchased in the rated area.

\*\* Percentage of Households is based on the 1990 Census Information.

Institution ID: 1316 - PNC Bank, N.A.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS									
Geography: MULTISTATE MSA's									
Evaluation Period: JULY 6, 1998 TO MARCH 31, 2002									
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Cincinnati OH Multistate 1640 3200	22	5,141	189	10,173	211	15,314	100.00	0	0
Louisville KY Multistate 4520	27	25,309	58	14,402	85	39,711	100.00	0	0
Philadelphia PA Multistate 6160	17	6,918	426	52,664	443	59,582	100.00	0	0

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

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

Institution ID: 1316 - PNC Bank, N.A.

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: MULTISTATE MSA's																	
Evaluation Period: JULY 6, 1998 TO MARCH 31, 2002																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches <sup>2</sup>	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Cincinnati OH Multistate 1640 3200	100.00	47	100.00	2.13	4.26	46.81	46.81	0	6	- 1	- 1	- 1	- 3	7.18	15.58	48.88	28.07
Louisville KY Multistate 4520	100.00	47	100.00	6.38	19.15	38.30	36.17	1	1	0	- 1	0	1	6.95	19.24	44.03	29.78
Philadelphia PA Multistate 6160	100.00	151	100.00	4.64	11.92	39.07	44.37	15	23	0	- 2	- 7	1	8.51	17.02	45.28	28.84

<sup>2</sup> Philadelphia: Including 2 branches which are in "NA" income census tracts, the total number of branches increases to 153.

Institution ID: 1316 - PNC Bank, N.A.

**Table 1. Lending Volume**

LENDING VOLUME												Geography: STATE OF FLORIDA		Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001	
MA/Assessment Area (2001):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***			
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)				
<b>Full Review:</b>															
Naples FL 5345	63.64	389	81,452	3	770	0	0	2	4,872	394	87,094	12.10			
<b>Limited Review:</b>															
Florida Non-MSA 9999	36.36	223	40,194	1	650	0	0	1	200	225	41,044	87.90			

\* Loan Data as of December 31, 2001. Rated area refers to either the state or multistate MA rating area.

\*\* The evaluation period for Community Development Loans is from July 6, 1998 through December 31, 2001.

\*\*\* Deposit Data as of June 30, 2001. Rated Area refers to the state, multistate MA, or institution, as appropriate.

**Table 1. Other Products**

LENDING VOLUME		Geography: STATE OF FLORIDA				Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001						% of Rated Area Deposits in AA***			
MA/Assessment Area (2001):	% of Rated Area Loans (#) in MA/AA*	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**				Other Secured Consumer**	
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)			#	\$ (000's)
<b>Full Review:</b>															
Naples FL 5345	0.00	0	0	0	0	0	0	0	0	0	0	0	0	12.10	
<b>Limited Review:</b>															
Florida Non-MSA 9999	0.00	0	0	0	0	0	0	0	0	0	0	0	0	87.90	

**PNC presented no optional loan information; as a result, these loans were not subject to review.**

\* Loan Data as of December 31, 2001. Rated area refers to either the state or multistate MA rating area.

\*\* The evaluation period for Optional Product Line(s) is From January 01, 1998 to December 31, 2001.

\*\*\* Deposit Data as of June 30, 2001. Rated Area refers to the state, multistate MA, or institution, as appropriate.

**Table 1. Other Products**

LENDING VOLUME		Geography: STATE OF FLORIDA		Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001	
MA/Assessment Area (2001):	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>					
Naples FL 5345	0	0	0	0	0
<b>Limited Review:</b>					
Florida Non-MSA 9999	0	0	0	0	0

**PNC presented no optional loan information; as a result, these loans were not subject to review.**

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\* The evaluation period for Optional Product Line(s) is From January 01, 1998 to December 31, 2001.

Institution ID: 1316 - PNC Bank, N.A.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: STATE OF FLORIDA				Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001					Market Share (%) by Geography *				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans					
<b>Full Review:</b>															
Naples FL 5345	269	69.69	1.18	0.00	7.73	1.12	57.92	57.25	33.17	41.64	1.08	0.00	0.00	0.91	1.48
<b>Limited Review:</b>															
Florida Non-MSA 9999	117	30.31	0.00	0.00	2.78	1.71	37.87	31.62	59.35	66.67	1.34	0.00	0.00	0.90	1.64

\* Based on 2000 Peer Mortgage Data: US & PR.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.



**Institution ID: 1316 - PNC Bank, N.A.**

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT		Geography: STATE OF FLORIDA				Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans					
<b>Full Review:</b>															
Naples FL 5345	7	31.82	1.18	0.00	7.73	0.00	57.92	42.86	33.17	57.14	0.41	0.00	0.00	0.29	0.99
<b>Limited Review:</b>															
Florida Non-MSA 9999	15	68.18	0.00	0.00	2.78	0.00	37.87	40.00	59.35	60.00	0.28	0.00	0.00	0.60	0.00

\* Based on 2000 Peer Mortgage Data: US & PR.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Institution ID: 1316 - PNC Bank, N.A.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE															Geography: STATE OF FLORIDA					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography *													
	#	% of Total**	% 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									
<b>Full Review:</b>																								
Naples FL 5345	113	55.67	1.18	0.00	7.73	0.88	57.92	56.64	33.17	42.48	0.68	0.00	0.00	0.56	1.17									
<b>Limited Review:</b>																								
Florida Non-MSA 9999	90	44.33	0.00	0.00	2.78	1.11	37.87	26.67	59.35	72.22	0.80	0.00	0.00	0.41	1.15									

\* Based on 2000 Peer Mortgage Data: US & PR.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Institution ID: 1316 - PNC Bank, N.A.

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY															
Geography: STATE OF FLORIDA															
Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001															
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography *				
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Naples FL 5345	0	0.00	1.80	0.00	2.10	0.00	41.08	0.00	55.03	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review:</b>															
Florida Non-MSA 9999	1	100.00	0.00	0.00	1.95	0.00	14.42	100.00	83.63	0.00	0.00	0.00	0.00	0.00	

\* Based on 2000 Peer Mortgage Data: US & PR.

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

Institution ID: 1316 - PNC Bank, N.A.

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES															
Geography: STATE OF FLORIDA															
Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001															
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Naples FL 5345	3	75.00	1.51	0.00	4.32	33.33	59.41	0.00	34.76	66.67	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>															
Florida Non-MSA 9999	1	25.00	0.00	0.00	1.60	0.00	42.22	0.00	56.19	100.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2000 Peer Small Business Data: US&PR.

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

\*\*\* Source Data - Dun and Bradstreet (2001).

Institution ID: 1316 - PNC Bank, N.A.

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS		Geography: STATE OF FLORIDA					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001					Market Share (%) by Geography*				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans						
<b>Full Review:</b>																
Naples FL 5345	0	0.00	1.38	0.00	16.93	0.00	62.00	0.00	19.69	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review:</b>																
Florida Non-MSA 9999	0	0.00	0.00	0.00	3.02	0.00	48.11	0.00	48.87	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2000 Peer Small Business Data: US&PR.

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

\*\*\* Source Data - Dun and Bradstreet (2001).

**Institution ID: 1316 - PNC Bank, N.A.**

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: STATE OF FLORIDA					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001					Market Share <sup>*</sup>				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>						
<b>Full Review:</b>																
Naples FL 5345	269	69.69	17.77	7.66	19.99	27.27	22.95	13.40	39.29	51.67	1.08	0.68	0.58	0.84	0.83	
<b>Limited Review:</b>																
Florida Non-MSA 9999	117	30.31	10.38	6.02	14.71	13.25	20.35	21.69	54.57	59.04	1.34	0.00	0.85	1.28	0.94	

\* Based on 2000 Peer Mortgage Data: US & PR.

\*\* As a percentage of loans with borrower income information available. No information was available for 24.35% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

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

Institution ID: 1316 - PNC Bank, N.A.

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT		Geography: STATE OF FLORIDA					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001					Market Share <sup>*</sup>				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>						
<b>Full Review:</b>																
Naples FL 5345	7	31.82	17.77	0.00	19.99	14.29	22.95	28.57	39.29	57.14	0.41	0.00	0.94	0.00	0.63	
<b>Limited Review:</b>																
Florida Non-MSA 9999	15	68.18	10.38	0.00	14.71	20.00	20.35	13.33	54.57	66.67	0.28	0.00	0.00	1.23	0.00	

\* Based on 2000 Peer Mortgage Data: US & PR.

\*\* As a percentage of loans with borrower income information available. No information was available for 0.00% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

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

Institution ID: 1316 - PNC Bank, N.A.

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE															Geography: STATE OF FLORIDA					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>*</sup>													
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
Naples FL 5345	113	55.67	17.77	5.05	19.99	21.21	22.95	9.09	39.29	64.65	0.68	0.00	0.78	0.17	1.33									
<b>Limited Review:</b>																								
Florida Non-MSA 9999	90	44.33	10.38	1.27	14.71	10.13	20.35	8.86	54.57	79.75	0.80	0.00	0.00	0.79	0.82									

\* Based on 2000 Peer Mortgage Data: US & PR.

\*\* As a percentage of loans with borrower income information available. No information was available for 12.32% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

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



**Institution ID: 1316 - PNC Bank, N.A.**

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: STATE OF FLORIDA			Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Naples FL 5345	3	75.00	85.83	33.33	33.33	33.33	33.33	0.01	0.00
<b>Limited Review:</b>									
Florida Non-MSA 9999	1	25.00	86.27	100.00	0.00	0.00	100.00	0.00	0.00

\* Based on 2000 Peer Small Business Data: US&PR.

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2001).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 50.00% of small loans to businesses originated and purchased by the bank.

**Institution ID: 1316 - PNC Bank, N.A.**

**Table 12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS		Geography: STATE OF FLORIDA			Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001				
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Naples FL 5345	0	0.00	88.43	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>									
Florida Non-MSA 9999	0	0.00	84.38	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2000 Peer Small Business Data: US&PR.

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

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2001).

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

Institution ID: 1316 - PNC Bank, N.A.

**Table 13. Geographic and Borrower Distribution of Consumer Loans (Institution’s Option)**

Geographic and Borrower Distribution: CONSUMER LOANS																		
Geography: STATE OF FLORIDA																		
Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001																		
MA/Assessment Area:	Geographic Distribution										Borrower Distribution							
	Total Consumer Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers	
	#	% of Total*	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans
<b>Full Review:</b>																		
Naples FL 5345	0	0.00	3.53	0.00	8.18	0.00	59.33	0.00	28.96	0.00	19.53	0.00	18.60	0.00	21.82	0.00	40.05	0.00
<b>Limited Review:</b>																		
Florida Non-MSA 9999	0	0.00	0.00	0.00	3.91	0.00	39.86	0.00	56.24	0.00	14.90	0.00	12.86	0.00	18.30	0.00	53.94	0.00

**PNC presented no optional loan information; as a result, these loans were not subject to review.**

\* Consumer loans originated and purchased in the MA/AA as a percentage of all consumer loans originated and purchased in the rated area.

\*\* Percentage of Households is based on the 1990 Census Information.

Institution ID: 1316 - PNC Bank, N.A.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS									
Geography: STATE OF FLORIDA									
Evaluation Period: JULY 6, 1998 TO MARCH 31, 2002									
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Naples FL 5345	0	0	3	10,401	3	10,401	58.50	0	0
<b>Limited Review:</b>									
Florida Non-MSA 9999	1	3,885	2	594	3	4,479	25.19	0	0
Florida Statewide	0	0	8	2,900	8	2,900	16.31	0	0

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

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

Institution ID: 1316 - PNC Bank, N.A.

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																		
Geography: STATE OF FLORIDA																		
Evaluation Period: JULY 6, 1998 TO MARCH 31, 2002																		
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population				
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography				
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp	
<b>Full Review:</b>																		
Naples FL 5345	12.10	1	50	0.00	0.00	0.00	100.00	0	0	0	0	0	0	0	5.23	10.56	59.09	25.11
<b>Limited Review:</b>																		
Florida Non-MSA 9999	87.90	1	50	0.00	0.00	0.00	100.00	0	0	0	0	0	0	0.00	4.87	42.27	52.86	

Institution ID: 1316 - PNC Bank, N.A.

**Table 1. Lending Volume**

LENDING VOLUME												Geography: STATE OF KENTUCKY		Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001	
MA/Assessment Area (2001):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***			
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)				
<b>Full Review:</b>															
Lexington KY 4280	53.05	1,504	105,213	238	23,767	0	0	0	0	1,742	128,980	48.13			
<b>Limited Review:</b>															
Kentucky Non-MSA	46.95	1,297	52,154	242	17,241	3	500	1	150	1,543	70,045	51.87			

\* Loan Data as of December 31, 2001. Rated area refers to either the state or multistate MA rating area.

\*\* The evaluation period for Community Development Loans is from July 6, 1998 through December 31, 2001.

\*\*\* Deposit Data as of June 30, 2001. Rated Area refers to the state, multistate MA, or institution, as appropriate.

Institution ID: 1316 - PNC Bank, N.A.

**Table 1. Other Products**

LENDING VOLUME														Geography: STATE OF KENTUCKY				Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001			
MA/Assessment Area (2001):	% of Rated Area Loans (#) in MA/AA*	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA***							
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)								
<b>Full Review:</b>																					
Lexington KY 4280	0	0	0	0	0	0	0	0	0	0	0	0	0	48.13							
<b>Limited Review:</b>																					
Kentucky Non-MSA	0	0	0	0	0	0	0	0	0	0	0	0	0	51.87							

**PNC presented no optional loan information; as a result, these loans were not subject to review.**

\* Loan Data as of December 31, 2001. Rated area refers to either the state or multistate MA rating area.

\*\* The evaluation period for Optional Product Line(s) is From January 01, 1998 to December 31, 2001.

\*\*\* Deposit Data as of June 30, 2001. Rated Area refers to the state, multistate MA, or institution, as appropriate.

Institution ID: 1316 - PNC Bank, N.A.

**Table 1. Other Products**

LENDING VOLUME		Geography: STATE OF KENTUCKY		Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001	
MA/Assessment Area (2001):	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>					
Lexington KY 4280	0	0	0	0	0
<b>Limited Review:</b>					
Kentucky Non-MSA	0	0	0	0	0

**PNC presented no optional loan information; as a result, these loans were not subject to review.**

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\* The evaluation period for Optional Product Line(s) is From January 01, 1998 to December 31, 2001.



Institution ID: 1316 - PNC Bank, N.A.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: STATE OF KENTUCKY				Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001									
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% 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
<b>Full Review:</b>															
Lexington KY 4280	550	79.14	3.35	2.36	14.65	11.09	32.33	43.09	49.68	43.45	2.07	2.02	1.98	1.85	2.24
<b>Limited Review:</b>															
Kentucky Non-MSA	145	20.86	0.00	0.00	1.95	0.00	33.02	26.21	65.03	73.79	2.08	0.00	0.00	1.47	2.44

\* Based on 2000 Peer Mortgage Data: US & PR.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

Institution ID: 1316 - PNC Bank, N.A.

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT		Geography: STATE OF KENTUCKY					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001					Market Share (%) by Geography *				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
Lexington KY 4280	213	39.30	3.35	0.94	14.65	10.80	32.33	37.09	49.68	51.17	8.43	0.00	7.38	9.52	8.78	
<b>Limited Review:</b>																
Kentucky Non-MSA	329	60.70	0.00	0.00	1.95	0.91	33.02	26.14	65.03	72.95	27.20	0.00	0.00	22.37	29.82	

\* Based on 2000 Peer Mortgage Data: US & PR.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Institution ID: 1316 - PNC Bank, N.A.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE															Geography: STATE OF KENTUCKY					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% 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									
<b>Full Review:</b>																								
Lexington KY 4280	740	47.38	3.35	1.22	14.65	4.86	32.33	33.65	49.68	60.27	4.75	0.83	1.59	4.71	5.97									
<b>Limited Review:</b>																								
Kentucky Non-MSA	822	52.62	0.00	0.00	1.95	1.34	33.02	24.57	65.03	74.09	13.10	0.00	11.11	12.32	13.48									

\* Based on 2000 Peer Mortgage Data: US & PR.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Institution ID: 1316 - PNC Bank, N.A.

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY															Geography: STATE OF KENTUCKY					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
Lexington KY 4280	1	50.00	5.48	0.00	26.37	0.00	39.64	100.00	28.51	0.00	0.00	0.00	0.00	0.00	0.00									
<b>Limited Review:</b>																								
Kentucky Non-MSA	1	50.00	0.00	0.00	0.50	0.00	65.49	100.00	34.01	0.00	0.00	0.00	0.00	0.00	0.00									

\* Based on 2000 Peer Mortgage Data: US & PR.

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

Institution ID: 1316 - PNC Bank, N.A.

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES															Geography: STATE OF KENTUCKY					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
Lexington KY 4280	238	49.58	5.14	4.62	26.32	27.73	31.72	31.93	36.19	35.29	0.66	0.84	0.89	0.50	0.64									
<b>Limited Review:</b>																								
Kentucky Non-MSA	242	50.42	0.00	0.00	2.72	0.00	36.37	32.23	60.91	67.77	2.25	0.00	0.00	2.70	2.26									

\* Based on 2000 Peer Small Business Data: US&PR.

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

\*\*\* Source Data - Dun and Bradstreet (2001).

Institution ID: 1316 - PNC Bank, N.A.

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS		Geography: STATE OF KENTUCKY					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001									
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Lexington KY 4280	0	0.00	2.99	0.00	10.23	0.00	33.05	0.00	53.73	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review:</b>																
Kentucky Non-MSA	3	100.00	0.00	0.00	0.31	0.00	32.19	0.00	67.50	100.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2000 Peer Small Business Data: US&PR.

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

\*\*\* Source Data - Dun and Bradstreet (2001).

Institution ID: 1316 - PNC Bank, N.A.

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: STATE OF KENTUCKY					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001					Market Share <sup>*</sup>				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>						
<b>Full Review:</b>																
Lexington KY 4280	550	79.14	19.18	25.98	15.11	23.62	20.47	17.13	45.25	33.27	2.07	2.32	2.27	2.11	1.88	
<b>Limited Review:</b>																
Kentucky Non-MSA	145	20.86	12.92	19.63	15.81	17.76	20.85	31.78	50.42	30.84	2.08	9.31	0.00	1.79	0.70	

\* Based on 2000 Peer Mortgage Data: US & PR.

\*\* As a percentage of loans with borrower income information available. No information was available for 11.51% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

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

Institution ID: 1316 - PNC Bank, N.A.

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT		Geography: STATE OF KENTUCKY					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001					Market Share <sup>*</sup>				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>						
<b>Full Review:</b>																
Lexington KY 4280	213	39.30	19.18	6.57	15.11	19.25	20.47	25.82	45.25	48.36	8.43	4.23	5.16	9.47	12.31	
<b>Limited Review:</b>																
Kentucky Non-MSA	329	60.70	12.92	3.98	15.81	11.62	20.85	22.02	50.42	62.39	27.20	9.09	27.27	29.09	29.41	

\* Based on 2000 Peer Mortgage Data: US & PR.

\*\* As a percentage of loans with borrower income information available. No information was available for 0.37% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

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



Institution ID: 1316 - PNC Bank, N.A.

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: STATE OF KENTUCKY					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001					Market Share <sup>*</sup>				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>						
<b>Full Review:</b>																
Lexington KY 4280	740	47.38	19.18	5.29	15.11	13.35	20.47	25.45	45.25	55.91	4.75	3.01	3.33	7.68	6.19	
<b>Limited Review:</b>																
Kentucky Non-MSA	822	52.62	12.92	3.35	15.81	6.83	20.85	21.29	50.42	68.54	13.10	12.90	8.48	13.15	16.67	

\* Based on 2000 Peer Mortgage Data: US & PR.

\*\* As a percentage of loans with borrower income information available. No information was available for 6.15% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

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

Institution ID: 1316 - PNC Bank, N.A.

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: STATE OF KENTUCKY			Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share <sup>7</sup>	
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Lexington KY 4280	238	49.58	85.86	43.70	76.89	13.03	10.08	0.66	0.90
<b>Limited Review:</b>									
Kentucky Non-MSA	242	50.42	86.87	38.43	83.06	11.98	4.96	2.25	3.40

\* Based on 2000 Peer Small Business Data: US&PR.

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2001).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 35.00% of small loans to businesses originated and purchased by the bank.

Institution ID: 1316 - PNC Bank, N.A.

**Table 12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS									
Geography: STATE OF KENTUCKY				Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001					
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share <sup>7</sup>	
	#	% of Total <sup>**</sup>	% of Farms <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Lexington KY 4280	0	0.00	88.27	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>									
Kentucky Non-MSA	3	100.00	98.44	100.00	66.67	0.00	33.33	0.00	0.00

\* Based on 2000 Peer Small Business Data: US&PR.

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

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2001).

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

Institution ID: 1316 - PNC Bank, N.A.

**Table 13. Geographic and Borrower Distribution of Consumer Loans (Institution's Option)**

Geographic and Borrower Distribution: CONSUMER LOANS																		
Geography: STATE OF KENTUCKY																		
Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001																		
MA/Assessment Area:	Geographic Distribution										Borrower Distribution							
	Total Consumer Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers	
	#	% of Total*	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans
<b>Full Review:</b>																		
Lexington KY 4280	0	0.00	5.39	0.00	19.58	0.00	34.52	0.00	40.51	0.00	23.53	0.00	14.56	0.00	18.55	0.00	43.35	0.00
<b>Limited Review:</b>																		
Kentucky Non-MSA	0	0.00	0.00	0.00	2.09	0.00	41.12	0.00	56.79	0.00	14.50	0.00	12.72	0.00	19.08	0.00	53.70	0.00

**PNC presented no optional loan information; as a result, these loans were not subject to review.**

\* Consumer loans originated and purchased in the MA/AA as a percentage of all consumer loans originated and purchased in the rated area.

\*\* Percentage of Households is based on the 1990 Census Information.

Institution ID: 1316 - PNC Bank, N.A.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS									
		Geography: STATE OF KENTUCKY			Evaluation Period: JULY 6, 1998 TO MARCH 31, 2002				
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Lexington KY 4280	2	1,237	10	1,550	12	2,787	39.59	0	0
<b>Limited Review:</b>									
Kentucky Non-MSA	5	4,182	1	5	6	4,187	59.48	0	0
Kentucky Statewide	0	0	2	65	2	65	0.92	0	0

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

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

Institution ID: 1316 - PNC Bank, N.A.

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: STATE OF KENTUCKY																	
Evaluation Period: JULY 6, 1998 TO MARCH 31, 2002																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Lexington KY 4280	48.13	4	50	0.00	25.00	25.00	50.00	0	0	0	0	0	0	5.75	20.75	31.78	41.59
<b>Limited Review:</b>																	
Kentucky Non-MSA	51.87	4	50	0.00	0.00	25.00	75.00	0	0	0	0	0	0	0.00	1.60	47.56	50.83

Institution ID: 1316 - PNC Bank, N.A.

Table 1. Lending Volume

LENDING VOLUME		Geography: STATE OF NEW JERSEY				Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001						
MA/Assessment Area (2001):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>												
Bergen Passaic NJ 0875	18.96	8,591	821,597	3,080	253,648	0	0	9	17,675	11,680	1,092,920	21.53
Newark NJ 5640	25.55	12,015	1,119,702	3,715	324,854	3	308	16	38,199	15,749	1,483,063	25.67
<b>Limited Review:</b>												
Atlantic Cape May NJ 0560	9.26	4,957	504,690	747	93,853	0	0	3	3,551	5,707	602,094	4.59
Jersey City NJ 3640	2.87	1,271	105,965	495	39,498	0	0	1	64	1,767	145,527	2.86
MiddlesexSomersetHunterdo	17.49	8,239	692,671	2,528	261,322	1	10	2	7,785	10,770	961,788	21.72
Monmouth Ocean 5190	19.19	10,053	848,276	1,758	142,350	2	300	4	8,190	11,817	999,116	11.85
Trenton NJ 8480	5.69	2,926	271,101	580	58,629	0	0	1	150	3,507	329,880	10.81
Vineland Milville NJ 8760	0.98	520	25,327	86	17,429	0	0	0	0	606	42,756	0.97

\* Loan Data as of December 31, 2001. Rated area refers to either the state or multistate MA rating area.

\*\* The evaluation period for Community Development Loans is from July 6, 1998 through December 31, 2001.

\*\*\* Deposit Data as of June 30, 2001. Rated Area refers to the state, multistate MA, or institution, as appropriate.

Institution ID: 1316 - PNC Bank, N.A.

**Table 1. Other Products**

LENDING VOLUME		Geography: STATE OF NEW JERSEY				Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001								
MA/Assessment Area (2001):	% of Rated Area Loans (#) in MA/AA*	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>														
Bergen Passaic NJ 0875	0	0	0	0	0	0	0	0	0	0	0	0	0	21.53
Newark NJ 5640	0	0	0	0	0	0	0	0	0	0	0	0	0	25.67
<b>Limited Review:</b>														
Atlantic Cape May NJ 0560	0	0	0	0	0	0	0	0	0	0	0	0	0	4.59
Jersey City NJ 3640	0	0	0	0	0	0	0	0	0	0	0	0	0	2.86
MiddlesexSomersetHunterdo	0	0	0	0	0	0	0	0	0	0	0	0	0	21.72
Monmouth Ocean 5190	0	0	0	0	0	0	0	0	0	0	0	0	0	11.85
Trenton NJ 8480	0	0	0	0	0	0	0	0	0	0	0	0	0	10.81
Vineland Milville NJ 8760	0	0	0	0	0	0	0	0	0	0	0	0	0	0.97

**PNC presented no optional loan information; as a result, these loans were not subject to review.**

\* Loan Data as of December 31, 2001. Rated area refers to either the state or multistate MA rating area.

\*\* The evaluation period for Optional Product Line(s) is From January 01, 1998 to December 31, 2001.

\*\*\* Deposit Data as of June 30, 2001. Rated Area refers to the state, multistate MA, or institution, as appropriate.



Institution ID: 1316 - PNC Bank, N.A.

**Table 1. Other Products**

LENDING VOLUME		Geography: STATE OF NEW JERSEY		Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001	
MA/Assessment Area (2001):	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>					
Bergen Passaic NJ 0875	0	0	0	0	0
Newark NJ 5640	0	0	0	0	0
<b>Limited Review:</b>					
Atlantic Cape May NJ 0560	0	0	0	0	0
Jersey City NJ 3640	0	0	0	0	0
MiddlesexSomersetHunterdo	0	0	0	0	0
Monmouth Ocean 5190	0	0	0	0	0
Trenton NJ 8480	0	0	0	0	0
Vineland Milville NJ 8760	0	0	0	0	0

**PNC presented no optional loan information; as a result, these loans were not subject to review.**

\* The evaluation period for Optional Product Line(s) is From January 01, 1998 to December 31, 2001.

Institution ID: 1316 - PNC Bank, N.A.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: STATE OF NEW JERSEY					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
Bergen Passaic NJ 0875	2,349	17.46	0.79	1.40	11.01	16.99	56.56	57.13	31.64	24.48	3.63	4.58	4.36	3.88	2.77	
Newark NJ 5640	2,994	22.26	1.98	1.70	11.73	6.28	44.58	45.96	41.71	46.06	2.69	1.78	1.28	3.17	2.74	
<b>Limited Review:</b>																
Atlantic Cape May NJ 0560	1,713	12.74	0.75	0.93	13.64	13.49	65.06	75.54	20.55	10.04	5.99	8.77	4.86	6.62	3.44	
Jersey City NJ 3640	367	2.73	0.60	1.36	10.42	9.54	59.59	56.40	29.40	32.70	2.16	1.68	1.53	2.12	2.61	
MiddlesexSomersetHunterdon NJ 5015	2,027	15.07	0.55	0.30	9.24	3.85	63.87	57.38	26.34	38.48	2.49	2.26	1.22	2.62	2.61	
Monmouth Ocean 5190	2,886	21.46	1.02	0.59	23.04	15.49	46.18	56.65	29.76	27.27	3.61	2.03	3.05	4.19	2.99	
Trenton NJ 8480	1,015	7.55	3.12	3.25	12.89	16.06	49.99	42.86	34.00	37.83	5.45	5.00	8.99	4.78	5.54	
Vineland Milville NJ 8760	100	0.74	0.07	0.00	10.48	10.00	71.46	67.00	17.99	23.00	2.16	0.00	0.51	2.35	2.54	

\* Based on 2000 Peer Mortgage Data: US & PR.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

## Institution ID: 1316 - PNC Bank, N.A.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: STATE OF NEW JERSEY					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001					Market Share (%) by Geography *				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
Bergen Passaic NJ 0875	1,858	18.99	0.79	2.37	11.01	17.33	56.56	54.14	31.64	26.16	8.40	15.52	11.46	8.80	6.54	
Newark NJ 5640	2,610	26.68	1.98	2.45	11.73	9.31	44.58	42.95	41.71	45.29	9.65	10.00	5.71	8.48	12.51	
<b>Limited Review:</b>																
Atlantic Cape May NJ 0560	907	9.27	0.75	0.66	13.64	20.84	65.06	62.84	20.55	15.66	12.24	14.29	20.71	12.48	7.85	
Jersey City NJ 3640	280	2.86	0.60	0.00	10.42	4.64	59.59	55.36	29.40	40.00	7.17	0.00	4.85	6.99	8.54	
MiddlesexSomersetHunterdon NJ 5015	1,702	17.40	0.55	0.24	9.24	5.99	63.87	63.28	26.34	30.49	11.42	10.53	10.95	11.24	12.01	
Monmouth Ocean 5190	1,847	18.88	1.02	0.70	23.04	12.94	46.18	53.38	29.76	32.97	6.83	9.52	6.37	6.37	7.64	
Trenton NJ 8480	445	4.55	3.12	0.67	12.89	4.04	49.99	43.37	34.00	51.91	9.43	3.85	2.91	8.18	13.89	
Vineland Milville NJ 8760	133	1.36	0.07	0.75	10.48	19.55	71.46	57.14	17.99	22.56	7.41	14.29	14.89	5.63	8.51	

\* Based on 2000 Peer Mortgage Data: US & PR.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Institution ID: 1316 - PNC Bank, N.A.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE															Geography: STATE OF NEW JERSEY					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% 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									
<b>Full Review:</b>																								
Bergen Passaic NJ 0875	4,382	17.30	0.79	1.39	11.01	14.90	56.56	57.58	31.64	26.08	6.74	7.11	7.95	7.19	5.31									
Newark NJ 5640	6,411	25.31	1.98	0.97	11.73	7.10	44.58	44.86	41.71	47.08	6.28	2.76	3.07	6.61	7.47									
<b>Limited Review:</b>																								
Atlantic Cape May NJ 0560	2,337	9.22	0.75	0.30	13.64	12.58	65.06	69.83	20.55	17.24	9.87	1.85	10.20	9.33	9.37									
Jersey City NJ 3640	622	2.46	0.60	0.48	10.42	8.04	59.59	54.02	29.40	37.14	3.82	2.50	2.00	3.37	6.37									
MiddlesexSomersetHunterdon NJ 5015	4,509	17.80	0.55	0.22	9.24	4.66	63.87	64.03	26.34	31.09	7.96	2.60	4.36	8.41	8.20									
Monmouth Ocean 5190	5,320	21.00	1.02	0.32	23.04	13.89	46.18	49.92	29.76	35.86	6.46	4.20	5.64	6.34	7.26									
Trenton NJ 8480	1,466	5.79	3.12	0.61	12.89	3.89	49.99	41.27	34.00	54.23	9.59	5.15	2.79	8.95	14.20									
Vineland Milville NJ 8760	287	1.13	0.07	0.00	10.48	9.41	71.46	65.16	17.99	25.44	5.71	0.00	3.85	5.89	6.22									

\* Based on 2000 Peer Mortgage Data: US & PR.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

Institution ID: 1316 - PNC Bank, N.A.

**Table 5. Geographic Distribution of Multifamily Loans**

Geographic Distribution: MULTIFAMILY		Geography: STATE OF NEW JERSEY					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001									
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Newark NJ 5640	0	0.00	22.88	0.00	31.86	0.00	33.13	0.00	12.10	0.00	0.00	0.00	0.00	0.00	0.00	
Bergen Passaic NJ 0875	2	40.00	8.65	0.00	24.09	50.00	57.19	50.00	10.07	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review:</b>																
Vineland Milville NJ 8760	0	0.00	0.27	0.00	28.21	0.00	52.34	0.00	19.17	0.00	0.00	0.00	0.00	0.00	0.00	
Trenton NJ 8480	0	0.00	8.36	0.00	15.48	0.00	52.82	0.00	23.34	0.00	0.00	0.00	0.00	0.00	0.00	
Monmouth Ocean 5190	0	0.00	5.69	0.00	33.30	0.00	46.54	0.00	14.47	0.00	0.00	0.00	0.00	0.00	0.00	
MiddlesexSomersetHunterdon NJ 5015	1	20.00	3.11	0.00	22.62	0.00	64.52	100.00	9.75	0.00	0.00	0.00	0.00	0.00	0.00	
Jersey City NJ 3640	2	40.00	3.74	0.00	20.74	100.00	56.29	0.00	19.24	0.00	0.00	0.00	0.00	0.00	0.00	
Atlantic Cape May NJ 0560	0	0.00	7.76	0.00	30.42	0.00	51.16	0.00	10.66	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2000 Peer Mortgage Data: US & PR.

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

Institution ID: 1316 - PNC Bank, N.A.

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES															Geography: STATE OF NEW JERSEY					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	% of Businesses ***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
Bergen Passaic NJ 0875	3,080	23.71	3.27	4.71	15.08	19.81	53.25	51.01	28.31	24.42	3.25	7.66	4.62	3.19	2.74									
Newark NJ 5640	3,715	28.60	6.80	6.81	12.95	11.57	41.93	36.29	38.28	45.33	2.96	5.19	3.21	2.72	3.21									
<b>Limited Review:</b>																								
Atlantic Cape May NJ 0560	747	5.75	0.86	1.07	18.07	19.81	62.23	58.37	18.72	20.75	3.68	0.00	5.17	3.46	3.93									
Jersey City NJ 3640	495	3.81	1.23	0.40	17.05	12.73	56.70	50.91	24.60	34.95	2.44	0.00	1.91	1.71	4.69									
MiddlesexSomersetHunterdon NJ 5015	2,528	19.46	2.39	1.50	10.25	6.69	62.30	65.07	25.05	26.70	3.77	4.72	3.00	4.16	3.72									
Monmouth Ocean 5190	1,758	13.53	1.49	1.19	16.04	13.03	48.46	44.99	33.99	40.78	2.28	1.23	2.18	2.16	2.85									
Trenton NJ 8480	580	4.47	8.02	1.55	10.95	3.28	45.18	44.31	35.84	50.86	3.18	1.52	1.12	2.39	5.12									
Vineland Milville NJ 8760	86	0.66	8.68	11.63	15.66	16.28	60.02	54.65	15.64	17.44	1.27	4.55	2.83	0.68	1.16									

\* Based on 2000 Peer Small Business Data: US&PR.

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

\*\*\* Source Data - Dun and Bradstreet (2001).

Institution ID: 1316 - PNC Bank, N.A.

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS		Geography: STATE OF NEW JERSEY					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001									
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Bergen Passaic NJ 0875	0	0.00	0.73	0.00	6.15	0.00	56.68	0.00	36.36	0.00	0.00	0.00	0.00	0.00	0.00	
Newark NJ 5640	3	50.00	0.53	0.00	3.97	0.00	51.35	66.67	44.15	33.33	7.14	0.00	0.00	0.00	25.00	
<b>Limited Review:</b>																
Atlantic Cape May NJ 0560	0	0.00	0.20	0.00	8.20	0.00	77.00	0.00	14.60	0.00	0.00	0.00	0.00	0.00	0.00	
Jersey City NJ 3640	0	0.00	0.00	0.00	11.27	0.00	50.70	0.00	36.62	0.00	0.00	0.00	0.00	0.00	0.00	
MiddlesexSomersetHunterdon NJ 5015	1	16.67	0.44	0.00	4.50	0.00	61.33	0.00	33.73	100.00	0.00	0.00	0.00	0.00	0.00	
Monmouth Ocean 5190	2	33.33	0.13	0.00	11.85	0.00	47.99	0.00	40.03	100.00	0.00	0.00	0.00	0.00	0.00	
Trenton NJ 8480	0	0.00	2.15	0.00	4.31	0.00	47.69	0.00	45.85	0.00	0.00	0.00	0.00	0.00	0.00	
Vineland Milville NJ 8760	0	0.00	1.90	0.00	2.86	0.00	79.52	0.00	15.71	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2000 Peer Small Business Data: US&PR.

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

\*\*\* Source Data - Dun and Bradstreet (2001).

Institution ID: 1316 - PNC Bank, N.A.

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE		Geography: STATE OF NEW JERSEY					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001					Market Share <sup>*</sup>				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>						
<b>Full Review:</b>																
Bergen Passaic NJ 0875	2,349	17.46	18.58	11.02	18.93	29.56	23.58	29.56	38.91	29.87	3.63	5.18	3.69	2.03	1.43	
Newark NJ 5640	2,994	22.26	20.05	12.40	17.75	22.91	23.61	23.70	38.60	40.99	2.69	2.84	1.59	1.26	1.49	
<b>Limited Review:</b>																
Atlantic Cape May NJ 0560	1,713	12.74	18.11	9.35	19.24	12.91	24.17	12.75	38.48	64.99	5.99	6.55	4.52	2.38	5.20	
Jersey City NJ 3640	367	2.73	22.91	2.50	16.23	13.75	21.11	25.83	39.75	57.92	2.16	1.46	1.75	1.19	1.36	
MiddlesexSomersetHunterdon NJ 5015	2,027	15.07	15.60	25.84	19.79	21.77	27.19	20.52	37.42	31.87	2.49	2.93	1.15	0.82	1.44	
Monmouth Ocean 5190	2,886	21.46	18.33	14.04	18.83	30.28	24.47	20.27	38.37	35.41	3.61	3.11	3.06	1.72	1.30	
Trenton NJ 8480	1,015	7.55	18.87	33.50	18.20	23.71	24.03	12.80	38.90	29.99	5.45	9.03	4.48	3.06	2.45	
Vineland Milville NJ 8760	100	0.74	21.12	13.33	17.29	33.33	22.82	28.33	38.77	25.00	2.16	0.72	0.46	1.22	1.08	

\* Based on 2000 Peer Mortgage Data: US & PR.

\*\* As a percentage of loans with borrower income information available. No information was available for 34.09% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

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



Institution ID: 1316 - PNC Bank, N.A.

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT															Geography: STATE OF NEW JERSEY					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>*</sup>													
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	Overall	Low	Mod	Mid	Upp							
<b>Full Review:</b>																								
Bergen Passaic NJ 0875	1,858	18.99	18.58	8.89	18.93	18.71	23.58	29.43	38.91	42.96	8.40	9.18	9.33	10.56	8.05									
Newark NJ 5640	2,610	26.68	20.05	7.41	17.75	15.23	23.61	27.86	38.60	49.50	9.65	8.11	6.24	8.88	14.53									
<b>Limited Review:</b>																								
Atlantic Cape May NJ 0560	907	9.27	18.11	6.28	19.24	17.42	24.17	25.25	38.48	51.05	12.24	8.25	10.93	13.64	14.00									
Jersey City NJ 3640	280	2.86	22.91	3.58	16.23	12.19	21.11	25.45	39.75	58.78	7.17	5.56	7.32	4.29	9.84									
MiddlesexSomersetHunterdon NJ 5015	1,702	17.40	15.60	6.90	19.79	17.87	27.19	29.78	37.42	45.46	11.42	6.42	7.87	13.35	16.80									
Monmouth Ocean 5190	1,847	18.88	18.33	6.23	18.83	14.20	24.47	25.69	38.37	53.88	6.83	3.04	5.58	6.52	9.28									
Trenton NJ 8480	445	4.55	18.87	5.39	18.20	11.46	24.03	21.80	38.90	61.35	9.43	5.34	4.76	11.43	14.12									
Vineland Milville NJ 8760	133	1.36	21.12	4.51	17.29	18.80	22.82	30.08	38.77	46.62	7.41	3.33	8.14	7.52	8.97									

\* Based on 2000 Peer Mortgage Data: US & PR.

\*\* As a percentage of loans with borrower income information available. No information was available for 0.16% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

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

Institution ID: 1316 - PNC Bank, N.A.

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE															Geography: STATE OF NEW JERSEY					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>†</sup>													
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	Overall	Low	Mod	Mid	Upp							
<b>Full Review:</b>																								
Bergen Passaic NJ 0875	4,382	17.30	18.58	7.37	18.93	18.50	23.58	31.29	38.91	42.85	6.74	9.06	6.93	7.64	7.74									
Newark NJ 5640	6,411	25.31	20.05	5.83	17.75	15.61	23.61	28.33	38.60	50.23	6.28	5.50	5.53	6.32	8.72									
<b>Limited Review:</b>																								
Atlantic Cape May NJ 0560	2,337	9.22	18.11	3.76	19.24	14.18	24.17	23.60	38.48	58.47	9.87	8.12	9.15	9.17	10.55									
Jersey City NJ 3640	622	2.46	22.91	2.08	16.23	8.32	21.11	22.70	39.75	66.90	3.82	1.83	2.69	3.83	5.40									
MiddlesexSomersetHunterdon NJ 5015	4,509	17.80	15.60	8.05	19.79	21.04	27.19	29.91	37.42	41.01	7.96	6.43	8.56	8.30	11.74									
Monmouth Ocean 5190	5,320	21.00	18.33	5.20	18.83	16.25	24.47	26.93	38.37	51.62	6.46	4.60	5.72	6.88	7.82									
Trenton NJ 8480	1,466	5.79	18.87	4.56	18.20	15.34	24.03	22.79	38.90	57.31	9.59	4.06	7.99	10.48	15.47									
Vineland Milville NJ 8760	287	1.13	21.12	5.93	17.29	10.37	22.82	27.78	38.77	55.93	5.71	6.33	1.66	7.00	6.63									

\* Based on 2000 Peer Mortgage Data: US & PR.

\*\* As a percentage of loans with borrower income information available. No information was available for 9.25% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

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

## Institution ID: 1316 - PNC Bank, N.A.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: STATE OF NEW JERSEY			Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share <sup>7</sup>	
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Bergen Passaic NJ 0875	3,080	23.71	83.08	34.38	84.84	7.82	7.34	1.81	3.25
Newark NJ 5640	3,715	28.60	83.89	36.74	84.01	8.08	7.91	1.68	2.96
<b>Limited Review:</b>									
Atlantic Cape May NJ 0560	747	5.75	85.25	42.03	74.43	12.18	13.39	2.00	3.68
Jersey City NJ 3640	495	3.81	83.28	42.02	83.64	10.30	6.06	1.36	2.44
MiddlesexSomersetHunterdon NJ 5015	2,528	19.46	83.24	34.02	80.02	9.49	10.48	2.28	3.77
Monmouth Ocean 5190	1,758	13.53	85.49	35.27	85.10	7.96	6.94	1.26	2.28
Trenton NJ 8480	580	4.47	84.55	40.17	80.52	8.28	11.21	1.65	3.18
Vineland Milville NJ 8760	86	0.66	83.60	25.58	55.81	19.77	24.42	0.71	1.27

\* Based on 2000 Peer Small Business Data: US&PR.

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2001).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 41.03% of small loans to businesses originated and purchased by the bank.

Institution ID: 1316 - PNC Bank, N.A.

**Table 12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS									
Geography: STATE OF NEW JERSEY									
Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001									
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share <sup>7</sup>	
	#	% of Total <sup>**</sup>	% of Farms <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Bergen Passaic NJ 0875	0	0.00	90.69	0.00	0.00	0.00	0.00	0.00	0.00
Newark NJ 5640	3	50.00	91.92	33.33	66.67	33.33	0.00	7.14	0.00
<b>Limited Review:</b>									
Atlantic Cape May NJ 0560	0	0.00	88.40	0.00	0.00	0.00	0.00	0.00	0.00
Jersey City NJ 3640	0	0.00	94.37	0.00	0.00	0.00	0.00	0.00	0.00
MiddlesexSomersetHunterdon NJ 5015	1	16.67	91.22	0.00	100.00	0.00	0.00	0.00	0.00
Monmouth Ocean 5190	2	33.33	91.46	0.00	50.00	50.00	0.00	0.00	0.00
Trenton NJ 8480	0	0.00	92.00	0.00	0.00	0.00	0.00	0.00	0.00
Vineland Milville NJ 8760	0	0.00	82.86	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2000 Peer Small Business Data: US&PR.

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

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2001).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 50.00% of small loans to farms originated and purchased by the bank.

Institution ID: 1316 - PNC Bank, N.A.

**Table 13. Geographic and Borrower Distribution of Consumer Loans (Institution's Option)**

Geographic and Borrower Distribution: CONSUMER LOANS																		
Geography: STATE OF NEW JERSEY																		
Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001																		
MA/Assessment Area:	Geographic Distribution										Borrower Distribution							
	Total Consumer Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers	
	#	% of Total*	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans
<b>Full Review:</b>																		
Bergen Passaic NJ 0875	0	0.00	3.48	0.00	18.31	0.00	54.94	0.00	23.27	0.00	23.05	0.00	16.15	0.00	20.61	0.00	40.19	0.00
Newark NJ 5640	0	0.00	8.18	0.00	21.24	0.00	40.77	0.00	29.80	0.00	23.79	0.00	15.93	0.00	19.30	0.00	40.98	0.00
<b>Limited Review:</b>																		
Atlantic Cape May NJ 0560	0	0.00	3.34	0.00	16.82	0.00	63.43	0.00	16.41	0.00	22.92	0.00	15.84	0.00	20.41	0.00	40.83	0.00
Jersey City NJ 3640	0	0.00	1.99	0.00	16.78	0.00	60.09	0.00	21.15	0.00	25.97	0.00	14.41	0.00	18.86	0.00	40.77	0.00
MiddlesexSomersetHun- terdon NJ 5015	0	0.00	1.40	0.00	14.60	0.00	62.18	0.00	21.81	0.00	19.42	0.00	17.95	0.00	24.06	0.00	38.57	0.00
Monmouth Ocean 5190	0	0.00	2.22	0.00	25.15	0.00	46.25	0.00	26.38	0.00	23.20	0.00	16.55	0.00	20.49	0.00	39.76	0.00
Trenton NJ 8480	0	0.00	6.15	0.00	16.06	0.00	48.00	0.00	29.78	0.00	22.69	0.00	17.11	0.00	20.16	0.00	40.04	0.00
Vineland Milville NJ 8760	0	0.00	0.39	0.00	16.75	0.00	66.39	0.00	16.47	0.00	25.22	0.00	14.96	0.00	19.55	0.00	40.27	0.00

**PNC presented no optional loan information; as a result, these loans were not subject to review.**

\* Consumer loans originated and purchased in the MA/AA as a percentage of all consumer loans originated and purchased in the rated area.

\*\* Percentage of Households is based on the 1990 Census Information.

Institution ID: 1316 - PNC Bank, N.A.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
			Geography: STATE OF NEW JERSEY		Evaluation Period: JULY 6, 1998 TO MARCH 31, 2002				
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Bergen Passaic NJ 0875	0	0	21	283	21	283	0.90	0	0
Newark NJ 5640	1	1,120	77	2,898	78	4,018	12.77	0	0
<b>Limited Review:</b>									
Atlantic Cape May NJ 0560	0	0	3	9	3	9	0.03	0	0
Jersey City NJ 3640	0	0	15	84	15	84	0.27	0	0
MiddlesexSomersetHunterdon NJ 5015	0	0	33	8,349	33	8,349	26.54	0	0
Monmouth Ocean 5190	0	0	13	48	13	48	0.15	0	0
Trenton NJ 8480	0	0	15	7,992	15	7,992	25.40	0	0
Vineland Milville NJ 8760	0	0	5	28	5	28	0.09	0	0
New Jersey Statewide	10	8,661	35	1,991	45	10,652	33.86	0	0

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

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

Institution ID: 1316 - PNC Bank, N.A.

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: STATE OF NEW JERSEY																	
Evaluation Period: JULY 6, 1998 TO MARCH 31, 2002																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Bergen Passaic NJ 0875	21.53	42	22	2.38	19.05	47.62	30.95	0	2	0	- 1	0	- 1	4.18	18.73	52.23	24.82
Newark NJ 5640	25.67	51	27	9.80	7.84	43.14	39.22	0	2	0	0	- 1	- 1	8.71	21.48	39.20	30.57
<b>Limited Review:</b>																	
Atlantic Cape May NJ 0560	4.59	17	9	0.00	23.53	47.06	29.41	2	2	0	0	- 1	1	3.24	16.36	63.56	16.83
Jersey City NJ 3640	2.86	8	4	0.00	25.00	50.00	25.00	0	0	0	0	0	0	2.38	17.09	60.77	19.74
MiddlesexSomersetHunterdon NJ 5015	21.72	34	18	0.00	5.88	67.65	26.47	0	2	0	0	- 2	0	1.53	14.13	61.52	22.48
Monmouth Ocean 5190	11.85	28	15	3.57	14.29	42.86	39.29	3	2	0	0	0	1	2.14	21.19	46.97	29.54
Trenton NJ 8480	10.81	9	5	0.00	0.00	55.56	44.44	1	0	0	0	0	1	6.87	15.87	43.89	32.69
Vineland Milville NJ 8760	0.97	2	1	50.00	0.00	50.00	0.00	0	0	0	0	0	0	0.40	17.22	65.83	16.55

Institution ID: 1316 - PNC Bank, N.A.

Table 1. Lending Volume

LENDING VOLUME												
Geography: STATE OF PENNSYLVANIA												
Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001												
MA/Assessment Area (2001):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>												
Pittsburgh PA 6280	42.91	36,143	1,870,591	10,691	1,338,734	6	742	75	81,829	46,915	3,291,896	63.51
Scranton Wilkes-Barre PA	13.13	11,345	513,048	2,987	323,582	1	35	12	6,052	14,345	842,717	12.66
<b>Limited Review:</b>												
Allentown PA 0240	6.38	5,609	313,811	1,351	130,337	4	683	1	500	6,965	445,331	3.12
Erie PA 2360	9.56	8,207	487,559	2,221	283,770	12	1,099	14	7,862	10,454	780,290	4.94
Harrisburg PA 3240	6.75	5,863	363,934	1,484	157,683	19	2,610	2	1,405	7,368	525,632	5.33
Johnstown PA 3680	1.49	1,307	56,993	316	23,649	6	176	3	1,511	1,632	82,329	0.93
Lancaster PA 4000	1.80	1,705	118,903	264	47,978	0	0	1	7,650	1,970	174,531	0.21
Pennsylvania Non-MSA 9999	10.91	9,795	470,891	2,075	161,828	42	4,550	4	144	11,916	637,413	7.09
Reading PA 6680	0.96	942	54,087	108	12,136	0	0	0	0	1,050	66,223	0.24
State College PA 8050	2.50	2,398	182,161	329	40,671	1	50	1	590	2,729	223,472	1.46
Williamsport PA 9140	1.28	1,295	82,249	101	8,315	0	0	0	0	1,396	90,564	0.33
York PA 9280	2.32	2,243	153,300	291	22,016	0	0	1	1,489	2,535	176,805	0.20

\* Loan Data as of December 31, 2001. Rated area refers to either the state or multistate MA rating area.

\*\* The evaluation period for Community Development Loans is from July 6, 1998 through December 31, 2001.

\*\*\* Deposit Data as of June 30, 2001. Rated Area refers to the state, multistate MA, or institution, as appropriate.



Institution ID: 1316 - PNC Bank, N.A.

Table 1. Other Products

LENDING VOLUME		Geography: STATE OF PENNSYLVANIA				Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001								
MA/Assessment Area (2001):	% of Rated Area Loans (#) in MA/AA*	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>														
Pittsburgh PA 6280	0	0	0	0	0	0	0	0	0	0	0	0	0	63.51
Scranton Wilkes-Barre PA	0	0	0	0	0	0	0	0	0	0	0	0	0	12.66
<b>Limited Review:</b>														
Allentown PA 0240	0	0	0	0	0	0	0	0	0	0	0	0	0	3.12
Erie PA 2360	0	0	0	0	0	0	0	0	0	0	0	0	0	4.94
Harrisburg PA 3240	0	0	0	0	0	0	0	0	0	0	0	0	0	5.33
Johnstown PA 3680	0	0	0	0	0	0	0	0	0	0	0	0	0	0.93
Lancaster PA 4000	0	0	0	0	0	0	0	0	0	0	0	0	0	0.21
Pennsylvania Non-MSA 9999	0	0	0	0	0	0	0	0	0	0	0	0	0	7.09
Reading PA 6680	0	0	0	0	0	0	0	0	0	0	0	0	0	0.24
State College PA 8050	0	0	0	0	0	0	0	0	0	0	0	0	0	1.46
Williamsport PA 9140	0	0	0	0	0	0	0	0	0	0	0	0	0	0.33
York PA 9280	0	0	0	0	0	0	0	0	0	0	0	0	0	0.20

**PNC presented no optional loan information; as a result, these loans were not subject to review.**

\* Loan Data as of December 31, 2001. Rated area refers to either the state or multistate MA rating area.

\*\* The evaluation period for Optional Product Line(s) is From January 01, 1998 to December 31, 2001.

\*\*\* Deposit Data as of June 30, 2001. Rated Area refers to the state, multistate MA, or institution, as appropriate.

Institution ID: 1316 - PNC Bank, N.A.

**Table 1. Other Products**

LENDING VOLUME		Geography: STATE OF PENNSYLVANIA		Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001	
MA/Assessment Area (2001):	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>					
Pittsburgh PA 6280	0	0	0	0	
Scranton Wilkes-Barre PA	0	0	0	0	
<b>Limited Review:</b>					
Allentown PA 0240	0	0	0	0	
Erie PA 2360	0	0	0	0	
Harrisburg PA 3240	0	0	0	0	
Johnstown PA 3680	0	0	0	0	
Lancaster PA 4000	0	0	0	0	
Pennsylvania Non-MSA 9999	0	0	0	0	
Reading PA 6680	0	0	0	0	
State College PA 8050	0	0	0	0	
Williamsport PA 9140	0	0	0	0	
York PA 9280	0	0	0	0	

**PNC presented no optional loan information; as a result, these loans were not subject to review.**

\* The evaluation period for Optional Product Line(s) is From January 01, 1998 to December 31, 2001.

Institution ID: 1316 - PNC Bank, N.A.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE		Geography: STATE OF PENNSYLVANIA					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001									
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% 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	
<b>Full Review:</b>																
Pittsburgh PA 6280	8,196	44.98	1.15	1.16	18.24	16.67	53.08	44.56	27.53	37.48	7.76	10.22	7.08	6.85	8.98	
Scranton Wilkes-Barre PA 7560	1,342	7.36	0.01	0.00	7.27	7.08	78.13	72.50	14.59	20.42	4.01	0.00	3.74	3.86	4.57	
<b>Limited Review:</b>																
Allentown PA 0240	1,419	7.79	0.59	1.41	11.31	18.04	67.02	64.41	21.08	16.14	4.52	7.29	9.75	4.53	2.68	
Erie PA 2360	2,167	11.89	2.11	1.75	10.00	12.69	67.68	60.68	20.22	24.87	12.75	15.00	15.90	11.47	14.82	
Harrisburg PA 3240	1,166	6.40	1.49	0.94	5.99	6.00	67.49	58.58	25.04	34.48	3.97	2.28	4.29	3.74	4.40	
Johnstown PA 3680	164	0.90	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	4.68	0.00	0.00	4.68	0.00	
Lancaster PA 4000	609	3.34	0.62	2.96	5.99	14.12	83.56	69.79	9.84	13.14	3.07	6.56	4.82	2.64	4.64	
Pennsylvania Non-MSA 9999	1,324	7.27	0.00	0.00	3.98	3.55	71.21	67.45	24.81	29.00	3.99	0.00	7.94	4.25	3.35	
Reading PA 6680	180	0.99	1.53	0.00	9.04	1.67	72.25	79.44	17.18	18.89	0.88	0.00	0.36	0.93	0.96	
State College PA 8050	551	3.02	0.16	0.36	12.09	4.17	54.09	45.01	33.66	50.45	4.66	0.00	0.66	4.23	6.08	
Williamsport PA 9140	409	2.24	0.00	0.00	4.54	4.16	83.76	70.42	11.70	25.43	8.77	0.00	4.35	7.83	15.94	
York PA 9280	696	3.82	1.22	1.15	6.15	4.17	86.18	86.64	6.45	8.05	4.07	2.70	2.73	4.13	4.68	

\* Based on 2000 Peer Mortgage Data: US & PR.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

## Institution ID: 1316 - PNC Bank, N.A.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: STATE OF PENNSYLVANIA						Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001							
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography *				
	#	% of Total**	% 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
<b>Full Review:</b>															
Pittsburgh PA 6280	7,673	42.92	1.15	0.72	18.24	14.97	53.08	51.52	27.53	32.78	14.09	10.91	10.14	13.86	17.63
Scranton Wilkes-Barre PA 7560	3,206	17.93	0.01	0.03	7.27	6.96	78.13	75.58	14.59	17.44	17.76	0.00	16.16	17.85	18.15
<b>Limited Review:</b>															
Allentown PA 0240	1,028	5.75	0.59	0.49	11.31	12.26	67.02	72.47	21.08	14.79	7.25	0.00	9.15	7.16	6.84
Erie PA 2360	1,403	7.85	2.11	1.78	10.00	8.62	67.68	65.72	20.22	23.88	23.63	14.29	15.31	24.55	27.82
Harrisburg PA 3240	1,078	6.03	1.49	0.46	5.99	2.97	67.49	60.30	25.04	36.27	7.37	2.70	3.85	6.27	11.07
Johnstown PA 3680	254	1.42	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	7.08	0.00	0.00	7.08	0.00
Lancaster PA 4000	163	0.91	0.62	0.00	5.99	3.68	83.56	78.53	9.84	17.79	0.97	0.00	0.77	0.85	2.38
Pennsylvania Non-MSA 9999	2,095	11.72	0.00	0.00	3.98	2.48	71.21	66.35	24.81	31.17	15.13	0.00	7.69	14.03	18.93
Reading PA 6680	157	0.88	1.53	0.64	9.04	0.64	72.25	89.17	17.18	9.55	2.51	0.00	0.00	2.98	1.61
State College PA 8050	326	1.82	0.16	0.31	12.09	8.28	54.09	53.68	33.66	37.73	10.00	0.00	9.62	7.55	17.01
Williamsport PA 9140	145	0.81	0.00	0.00	4.54	2.76	83.76	77.24	11.70	20.00	2.33	0.00	1.69	1.96	5.71
York PA 9280	350	1.96	1.22	0.00	6.15	3.43	86.18	93.71	6.45	2.86	3.49	0.00	4.08	3.51	3.42

\* Based on 2000 Peer Mortgage Data: US & PR.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

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**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE															Geography: STATE OF PENNSYLVANIA					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% 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									
<b>Full Review:</b>																								
Pittsburgh PA 6280	20,249	39.96	1.15	0.48	18.24	11.97	53.08	49.89	27.53	37.63	11.68	5.73	6.92	11.17	16.79									
Scranton Wilkes-Barre PA 7560	6,787	13.39	0.01	0.04	7.27	5.73	78.13	72.67	14.59	21.56	14.61	0.00	10.56	14.63	16.68									
<b>Limited Review:</b>																								
Allentown PA 0240	3,155	6.23	0.59	0.63	11.31	8.91	67.02	72.08	21.08	18.38	7.41	1.79	7.47	7.93	5.80									
Erie PA 2360	4,621	9.12	2.11	1.04	10.00	7.10	67.68	64.34	20.22	27.53	25.54	8.51	18.77	25.55	32.51									
Harrisburg PA 3240	3,613	7.13	1.49	0.30	5.99	2.24	67.49	63.16	25.04	34.29	8.97	1.89	2.19	9.19	11.20									
Johnstown PA 3680	888	1.75	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	14.66	0.00	0.00	14.66	0.00									
Lancaster PA 4000	933	1.84	0.62	0.43	5.99	4.93	83.56	77.06	9.84	17.58	4.10	0.00	2.69	3.85	7.92									
Pennsylvania Non-MSA 9999	6,373	12.58	0.00	0.00	3.98	2.23	71.21	66.26	24.81	31.51	14.52	0.00	10.37	14.96	13.95									
Reading PA 6680	605	1.19	1.53	0.99	9.04	1.82	72.25	84.13	17.18	13.06	3.07	1.69	0.74	3.56	2.13									
State College PA 8050	1,513	2.99	0.16	0.20	12.09	4.30	54.09	54.86	33.66	40.65	12.55	50.00	4.55	12.39	16.73									
Williamsport PA 9140	741	1.46	0.00	0.00	4.54	2.70	83.76	75.71	11.70	21.59	6.71	0.00	4.00	6.18	11.04									
York PA 9280	1,196	2.36	1.22	0.17	6.15	3.43	86.18	92.39	6.45	4.01	5.45	1.92	2.60	5.69	5.13									

\* Based on 2000 Peer Mortgage Data: US & PR.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

## Institution ID: 1316 - PNC Bank, N.A.

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: STATE OF PENNSYLVANIA					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001					Market Share (%) by Geography*				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans						
<b>Full Review:</b>																
Scranton Wilkes-Barre PA 7560	10	12.99	6.08	0.00	28.66	30.00	54.21	60.00	11.05	10.00	8.57	0.00	20.00	7.69	0.00	
Pittsburgh PA 6280	25	32.47	8.69	4.00	22.95	28.00	39.49	44.00	28.78	24.00	2.56	0.00	0.00	2.74	6.45	
<b>Limited Review:</b>																
York PA 9280	1	1.30	5.52	0.00	16.84	0.00	73.22	100.00	4.42	0.00	0.00	0.00	0.00	0.00	0.00	
Williamsport PA 9140	0	0.00	0.00	0.00	43.25	0.00	39.06	0.00	17.69	0.00	0.00	0.00	0.00	0.00	0.00	
State College PA 8050	8	10.39	15.25	37.50	11.47	0.00	35.34	25.00	37.95	37.50	0.00	0.00	0.00	0.00	0.00	
Reading PA 6680	0	0.00	9.80	0.00	23.83	0.00	48.05	0.00	18.32	0.00	0.00	0.00	0.00	0.00	0.00	
Pennsylvania Non-MSA 9999	3	3.90	0.00	0.00	9.55	0.00	63.47	66.67	26.98	33.33	7.69	0.00	0.00	14.29	0.00	
Lancaster PA 4000	0	0.00	3.57	0.00	17.53	0.00	66.36	0.00	12.54	0.00	0.00	0.00	0.00	0.00	0.00	
Johnstown PA 3680	1	1.30	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Harrisburg PA 3240	6	7.79	7.22	0.00	11.79	0.00	61.81	50.00	19.18	50.00	3.33	0.00	0.00	0.00	33.33	
Erie PA 2360	16	20.78	14.70	6.25	12.85	6.25	45.25	50.00	27.20	37.50	25.00	0.00	0.00	25.00	50.00	
Allentown PA 0240	7	9.09	4.40	0.00	16.17	14.29	65.32	57.14	14.11	28.57	3.64	0.00	6.25	3.70	0.00	

\* Based on 2000 Peer Mortgage Data: US & PR.

\*\* Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

\*\*\* Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

## Institution ID: 1316 - PNC Bank, N.A.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES															Geography: STATE OF PENNSYLVANIA					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
Pittsburgh PA 6280	10,691	48.12	2.55	2.50	21.23	16.74	43.22	42.95	31.11	33.06	6.82	8.97	6.77	5.90	8.32									
Scranton Wilkes-Barre PA 7560	2,987	13.44	3.56	1.94	12.03	10.48	68.58	71.58	15.83	16.00	8.70	10.23	8.93	9.34	7.77									
<b>Limited Review:</b>																								
Allentown PA 0240	1,351	6.08	1.65	0.59	13.21	11.99	62.50	67.06	22.64	20.36	4.71	0.00	5.97	5.29	3.38									
Erie PA 2360	2,221	10.00	10.16	13.01	12.21	10.94	59.63	56.87	18.00	19.18	14.98	27.44	9.38	13.80	16.00									
Harrisburg PA 3240	1,484	6.68	1.63	0.40	13.61	4.85	62.37	65.16	22.39	29.58	5.34	0.00	4.85	5.40	6.16									
Johnstown PA 3680	316	1.42	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	3.71	0.00	0.00	3.71	0.00									
Lancaster PA 4000	264	1.19	0.65	0.00	8.65	21.59	80.45	54.55	10.25	23.86	0.63	0.00	3.11	0.41	1.21									
Pennsylvania Non-MSA 9999	2,075	9.34	0.00	0.00	5.10	6.46	66.41	63.52	28.49	30.02	8.17	0.00	11.04	8.47	9.52									
Reading PA 6680	108	0.49	3.03	0.00	10.02	2.78	69.45	90.74	17.51	6.48	0.67	0.00	0.00	0.90	0.29									
State College PA 8050	329	1.48	11.31	13.37	12.14	7.29	41.05	39.82	30.96	39.51	3.92	8.45	0.00	3.46	5.36									
Williamsport PA 9140	101	0.45	0.00	0.00	18.65	20.79	67.67	61.39	13.68	17.82	1.01	0.00	0.00	0.93	2.10									
York PA 9280	291	1.31	4.64	0.69	9.55	9.97	78.80	86.25	7.01	3.09	1.91	0.00	1.75	2.15	1.14									

\* Based on 2000 Peer Small Business Data: US&amp;PR.

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

\*\*\* Source Data - Dun and Bradstreet (2001).

## Institution ID: 1316 - PNC Bank, N.A.

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: STATE OF PENNSYLVANIA					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001					Market Share (%) by Geography*				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans	% of Farms**	% BANK Loans						
<b>Full Review:</b>																
Pittsburgh PA 6280	6	6.59	0.46	0.00	14.27	33.33	63.15	33.33	21.95	33.33	3.13	0.00	0.00	0.00	20.00	
Scranton Wilkes-Barre PA 7560	1	1.10	0.13	0.00	4.95	0.00	79.04	100.00	15.89	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Limited Review:</b>																
Allentown PA 0240	4	4.40	0.35	0.00	3.96	0.00	72.99	50.00	22.70	50.00	5.88	0.00	0.00	0.00	25.00	
Erie PA 2360	12	13.19	0.94	0.00	4.70	0.00	81.39	100.00	12.97	0.00	5.00	0.00	0.00	5.88	0.00	
Harrisburg PA 3240	19	20.88	0.08	0.00	9.34	10.53	75.98	73.68	14.60	15.79	1.75	0.00	5.26	1.27	0.00	
Johnstown PA 3680	6	6.59	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	1.39	0.00	0.00	1.39	0.00	
Lancaster PA 4000	0	0.00	0.06	0.00	0.76	0.00	95.55	0.00	3.63	0.00	0.00	0.00	0.00	0.00	0.00	
Pennsylvania Non-MSA 9999	42	46.15	0.00	0.00	2.25	0.00	78.64	76.19	19.11	23.81	3.54	0.00	0.00	3.45	4.00	
Reading PA 6680	0	0.00	0.00	0.00	1.03	0.00	94.86	0.00	4.11	0.00	0.00	0.00	0.00	0.00	0.00	
State College PA 8050	1	1.10	0.27	0.00	3.01	0.00	69.86	100.00	25.21	0.00	0.00	0.00	0.00	0.00	0.00	
Williamsport PA 9140	0	0.00	0.00	0.00	0.74	0.00	92.59	0.00	6.67	0.00	0.00	0.00	0.00	0.00	0.00	
York PA 9280	0	0.00	0.63	0.00	1.05	0.00	94.84	0.00	3.47	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2000 Peer Small Business Data: US&amp;PR.

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

\*\*\* Source Data - Dun and Bradstreet (2001).



## Institution ID: 1316 - PNC Bank, N.A.

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: STATE OF PENNSYLVANIA					Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001					Market Share <sup>†</sup>				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>						
<b>Full Review:</b>																
Pittsburgh PA 6280	8,196	44.98	19.35	9.97	18.03	23.84	22.65	19.88	39.97	46.31	7.76	5.95	6.21	6.23	8.36	
Scranton Wilkes-Barre PA 7560	1,342	7.36	18.45	11.32	18.90	25.37	24.69	24.28	37.96	39.03	4.01	4.32	3.24	3.61	3.99	
<b>Limited Review:</b>																
Allentown PA 0240	1,419	7.79	16.66	22.43	19.19	30.08	26.61	22.28	37.55	25.21	4.52	0.00	6.26	3.90	2.90	
Erie PA 2360	2,167	11.89	18.77	13.45	18.22	27.78	24.91	22.61	38.11	36.16	12.75	14.51	14.88	11.22	10.49	
Harrisburg PA 3240	1,166	6.40	15.23	10.17	18.43	29.84	27.82	25.19	38.53	34.79	3.97	3.19	3.65	2.94	2.74	
Johnstown PA 3680	164	0.90	18.01	5.26	19.80	15.79	25.72	27.07	36.47	51.88	4.68	2.50	3.77	3.76	3.39	
Lancaster PA 4000	609	3.34	15.27	13.37	19.23	35.22	28.92	25.61	36.58	25.80	3.07	3.26	3.31	2.83	2.45	
Pennsylvania Non-MSA 9999	1,324	7.27	15.82	6.57	17.78	18.90	23.81	24.82	42.59	49.72	3.99	7.01	5.55	3.89	3.31	
Reading PA 6680	180	0.99	16.35	6.75	19.11	20.25	27.41	25.15	37.13	47.85	0.88	0.28	0.58	0.93	1.09	
State College PA 8050	551	3.02	17.03	2.25	20.28	12.95	23.71	23.83	38.98	60.98	4.66	1.19	4.31	2.58	5.83	
Williamsport PA 9140	409	2.24	17.42	5.49	19.35	18.70	25.84	25.44	37.39	50.37	8.77	8.99	4.48	7.67	11.62	
York PA 9280	696	3.82	15.34	7.97	19.53	27.15	28.69	30.41	36.45	34.47	4.07	4.23	4.03	3.65	3.30	

\* Based on 2000 Peer Mortgage Data: US & PR.

\*\* As a percentage of loans with borrower income information available. No information was available for 12.71% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

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

## Institution ID: 1316 - PNC Bank, N.A.

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT			Geography: STATE OF PENNSYLVANIA				Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001					Market Share <sup>†</sup>				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
<b>Full Review:</b>																
Pittsburgh PA 6280	7,673	42.92	19.35	7.59	18.03	14.66	22.65	23.91	39.97	53.84	14.09	9.28	11.35	13.42	17.66	
Scranton Wilkes-Barre PA 7560	3,206	17.93	18.45	10.26	18.90	18.06	24.69	25.70	37.96	45.98	17.76	17.10	15.13	18.56	20.19	
<b>Limited Review:</b>																
Allentown PA 0240	1,028	5.75	16.66	7.10	19.19	18.97	26.61	28.89	37.55	45.04	7.25	4.88	7.35	5.76	9.44	
Erie PA 2360	1,403	7.85	18.77	6.70	18.22	15.34	24.91	25.04	38.11	52.92	23.63	17.39	23.28	21.02	27.63	
Harrisburg PA 3240	1,078	6.03	15.23	8.56	18.43	16.19	27.82	22.79	38.53	52.47	7.37	5.12	5.78	7.53	8.91	
Johnstown PA 3680	254	1.42	18.01	3.16	19.80	8.70	25.72	20.55	36.47	67.59	7.08	4.65	5.32	6.17	9.03	
Lancaster PA 4000	163	0.91	15.27	5.56	19.23	11.73	28.92	27.16	36.58	55.56	0.97	0.00	0.63	1.16	1.22	
Pennsylvania Non-MSA 9999	2,095	11.72	15.82	5.78	17.78	13.09	23.81	22.16	42.59	58.98	15.13	9.33	10.98	12.06	19.38	
Reading PA 6680	157	0.88	16.35	6.37	19.11	13.38	27.41	28.66	37.13	51.59	2.51	1.70	2.20	2.18	3.41	
State College PA 8050	326	1.82	17.03	3.11	20.28	9.63	23.71	21.12	38.98	66.15	10.00	3.70	8.33	8.33	12.85	
Williamsport PA 9140	145	0.81	17.42	3.45	19.35	8.97	25.84	23.45	37.39	64.14	2.33	0.00	2.15	1.69	3.70	
York PA 9280	350	1.96	15.34	3.71	19.53	12.57	28.69	32.86	36.45	50.86	3.49	0.57	1.18	3.08	5.88	

\* Based on 2000 Peer Mortgage Data: US & PR.

\*\* As a percentage of loans with borrower income information available. No information was available for 0.39% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

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

Institution ID: 1316 - PNC Bank, N.A.

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: STATE OF PENNSYLVANIA				Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001					Market Share <sup>*</sup>				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>						
<b>Full Review:</b>																
Pittsburgh PA 6280	20,249	39.96	19.35	4.61	18.03	12.37	22.65	22.50	39.97	60.52	11.68	6.64	8.33	11.12	18.38	
Scranton Wilkes-Barre PA 7560	6,787	13.39	18.45	5.73	18.90	15.74	24.69	26.07	37.96	52.45	14.61	11.18	13.04	15.74	18.91	
<b>Limited Review:</b>																
Allentown PA 0240	3,155	6.23	16.66	5.60	19.19	17.07	26.61	29.27	37.55	48.06	7.41	4.70	7.12	9.05	8.92	
Erie PA 2360	4,621	9.12	18.77	4.34	18.22	12.22	24.91	23.66	38.11	59.78	25.54	15.92	18.55	24.25	34.91	
Harrisburg PA 3240	3,613	7.13	15.23	5.54	18.43	15.29	27.82	26.80	38.53	52.37	8.97	5.10	6.89	9.89	12.44	
Johnstown PA 3680	888	1.75	18.01	1.48	19.80	7.40	25.72	18.22	36.47	72.89	14.66	2.17	6.15	13.33	21.76	
Lancaster PA 4000	933	1.84	15.27	2.48	19.23	13.87	28.92	27.73	36.58	55.92	4.10	0.00	2.88	4.33	6.51	
Pennsylvania Non-MSA 9999	6,373	12.58	15.82	3.22	17.78	11.06	23.81	22.75	42.59	62.97	14.52	11.22	13.27	13.33	19.04	
Reading PA 6680	605	1.19	16.35	3.33	19.11	13.49	27.41	31.87	37.13	51.31	3.07	1.36	2.02	3.52	4.37	
State College PA 8050	1,513	2.99	17.03	2.31	20.28	8.63	23.71	20.72	38.98	68.34	12.55	4.05	9.18	10.29	20.43	
Williamsport PA 9140	741	1.46	17.42	3.32	19.35	11.62	25.84	22.54	37.39	62.52	6.71	2.35	6.00	7.48	8.39	
York PA 9280	1,196	2.36	15.34	2.44	19.53	14.91	28.69	31.47	36.45	51.18	5.45	1.17	3.46	5.77	8.31	

\* Based on 2000 Peer Mortgage Data: US & PR.

\*\* As a percentage of loans with borrower income information available. No information was available for 2.55% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

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

## Institution ID: 1316 - PNC Bank, N.A.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: STATE OF PENNSYLVANIA			Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share <sup>†</sup>	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Pittsburgh PA 6280	10,691	48.12	84.89	35.99	73.65	12.43	13.92	5.50	6.82
Scranton Wilkes-Barre PA 7560	2,987	13.44	86.58	41.75	76.83	11.95	11.22	4.75	8.70
<b>Limited Review:</b>									
Allentown PA 0240	1,351	6.08	86.43	44.71	79.42	11.55	9.03	2.50	4.71
Erie PA 2360	2,221	10.00	83.99	43.54	71.45	14.36	14.18	9.26	14.98
Harrisburg PA 3240	1,484	6.68	85.65	43.87	76.01	13.88	10.11	2.58	5.34
Johnstown PA 3680	316	1.42	87.69	46.20	83.86	10.44	5.70	3.60	3.71
Lancaster PA 4000	264	1.19	85.58	36.36	60.23	16.67	23.11	0.51	0.63
Pennsylvania Non-MSA 9999	2,075	9.34	87.43	49.16	84.00	9.59	6.41	4.61	8.17
Reading PA 6680	108	0.49	84.32	37.96	76.85	13.89	9.26	0.29	0.67
State College PA 8050	329	1.48	86.75	39.82	69.60	15.81	14.59	2.59	3.92
Williamsport PA 9140	101	0.45	86.30	39.60	77.23	14.85	7.92	0.82	1.01
York PA 9280	291	1.31	85.90	51.89	86.94	7.56	5.50	0.81	1.91

\* Based on 2000 Peer Small Business Data: US&PR.

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

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2001).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 27.37% of small loans to businesses originated and purchased by the bank.

## Institution ID: 1316 - PNC Bank, N.A.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: STATE OF PENNSYLVANIA			Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001				
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share <sup>†</sup>	
	#	% of Total <sup>**</sup>	% of Farms <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Pittsburgh PA 6280	6	6.59	92.37	33.33	50.00	33.33	16.67	3.13	0.00
Scranton Wilkes-Barre PA 7560	1	1.10	92.97	0.00	100.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>									
Allentown PA 0240	4	4.40	92.08	50.00	25.00	50.00	25.00	5.88	0.00
Erie PA 2360	12	13.19	91.92	25.00	83.33	8.33	8.33	5.00	9.09
Harrisburg PA 3240	19	20.88	95.53	78.95	52.63	31.58	15.79	1.75	1.90
Johnstown PA 3680	6	6.59	96.90	66.67	100.00	0.00	0.00	1.39	0.00
Lancaster PA 4000	0	0.00	93.15	0.00	0.00	0.00	0.00	0.00	0.00
Pennsylvania Non-MSA 9999	42	46.15	94.42	57.14	64.29	28.57	7.14	3.54	1.06
Reading PA 6680	0	0.00	92.29	0.00	0.00	0.00	0.00	0.00	0.00
State College PA 8050	1	1.10	96.44	100.00	100.00	0.00	0.00	0.00	0.00
Williamsport PA 9140	0	0.00	95.56	0.00	0.00	0.00	0.00	0.00	0.00
York PA 9280	0	0.00	94.74	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2000 Peer Small Business Data: US&PR.

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

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2001).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 21.98% of small loans to farms originated and purchased by the bank.

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**Table 13. Geographic and Borrower Distribution of Consumer Loans (Institution’s Option)**

Geographic and Borrower Distribution: CONSUMER LOANS		Geography: STATE OF PENNSYLVANIA										Evaluation Period: JANUARY 1, 1998 TO DECEMBER 31, 2001							
MA/Assessment Area:	Geographic Distribution										Borrower Distribution								
	Total Consumer Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		
	#	% of Total*	% of Hhlds**	% of BANK Loans	% of Hhlds*	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	
<b>Full Review:</b>																			
Pittsburgh PA 6280	0	0.00	2.71	0.00	21.54	0.00	50.90	0.00	24.84	0.00	24.69	0.00	15.50	0.00	18.31	0.00	41.50	0.00	
Scranton Wilkes-Barre PA 7560	0	0.00	0.61	0.00	10.43	0.00	76.13	0.00	12.82	0.00	25.31	0.00	15.53	0.00	18.08	0.00	41.08	0.00	
<b>Limited Review:</b>																			
Allentown PA 0240	0	0.00	1.75	0.00	14.09	0.00	65.93	0.00	18.23	0.00	21.81	0.00	16.86	0.00	21.58	0.00	39.75	0.00	
Erie PA 2360	0	0.00	5.35	0.00	14.04	0.00	62.76	0.00	17.86	0.00	23.63	0.00	15.87	0.00	20.24	0.00	40.26	0.00	
Harrisburg PA 3240	0	0.00	3.15	0.00	8.81	0.00	65.96	0.00	22.09	0.00	19.92	0.00	17.36	0.00	22.61	0.00	40.11	0.00	
Johnstown PA 3680	0	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	22.31	0.00	16.58	0.00	20.56	0.00	40.55	0.00	
Lancaster PA 4000	0	0.00	1.45	0.00	9.58	0.00	80.13	0.00	8.84	0.00	19.84	0.00	17.54	0.00	23.93	0.00	38.69	0.00	
Pennsylvania Non-MSA 9999	0	0.00	0.00	0.00	4.97	0.00	70.53	0.00	24.50	0.00	20.31	0.00	15.12	0.00	19.33	0.00	45.24	0.00	
Reading PA 6680	0	0.00	3.51	0.00	12.63	0.00	68.51	0.00	15.34	0.00	22.10	0.00	16.54	0.00	21.72	0.00	39.64	0.00	
State College PA 8050	0	0.00	4.13	0.00	12.09	0.00	48.82	0.00	34.96	0.00	24.04	0.00	15.62	0.00	19.65	0.00	40.69	0.00	
Williamsport PA 9140	0	0.00	0.00	0.00	10.64	0.00	77.75	0.00	11.60	0.00	22.38	0.00	16.41	0.00	21.17	0.00	40.05	0.00	
York PA 9280	0	0.00	2.75	0.00	9.69	0.00	81.92	0.00	5.64	0.00	20.07	0.00	17.45	0.00	23.56	0.00	38.92	0.00	

**PNC presented no optional loan information; as a result, these loans were not subject to review.**

\* Consumer loans originated and purchased in the MA/AA as a percentage of all consumer loans originated and purchased in the rated area.

\*\* Percentage of Households is based on the 1990 Census Information.

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Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
Geography: STATE OF PENNSYLVANIA									
Evaluation Period: JULY 6, 1998 TO MARCH 31, 2002									
MA/Assessment Area:	Prior Period Investments <sup>*</sup>		Current Period Investments		Total Investments			Unfunded Commitments <sup>**</sup>	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Pittsburgh PA 6280	6	9,489	223	20,144	229	29,633	41.20	3	2,270
Scranton Wilkes-Barre PA 7560	3	1,799	86	12,490	89	14,289	19.87	0	0
<b>Limited Review:</b>									
Allentown PA 0240	1	108	31	630	32	738	1.03	0	0
Erie PA 2360	0	0	52	3,890	52	3,890	5.41	0	0
Harrisburg PA 3240	1	592	72	394	73	986	1.37	0	0
Johnstown PA 3680	1	250	5	1,238	6	1,488	2.07	0	0
Lancaster PA 4000	1	108	23	137	24	245	0.34	1	101
Pennsylvania Non-MSA 9999	1	113	76	2,404	77	2,517	3.50	0	0
Reading PA 6680	1	108	2	3,151	3	3,259	4.53	0	0
State College PA 8050	3	4,282	14	3,891	17	8,173	11.36	0	0
Williamsport PA 9140	0	0	4	4	4	4	0.01	0	0
York PA 9280	0	0	12	4,022	12	4,022	5.59	0	0
Pennsylvania Statewide	0	0	13	2,684	13	2,684	3.73	0	0

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS																	
Geography: STATE OF PENNSYLVANIA																	
Evaluation Period: JULY 6, 1998 TO MARCH 31, 2002																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches <sup>3</sup>	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Pittsburgh PA 6280	63.51	95	41	6.32	21.05	41.05	31.58	3	10	- 1	- 4	- 1	- 1	2.73	20.52	50.39	26.17
Scranton Wilkes-Barre PA 7560	12.66	40	17	2.50	15.00	70.00	12.50	0	3	- 1	- 1	- 1	0	0.45	9.84	75.49	14.22
<b>Limited Review:</b>																	
Allentown PA 0240	3.12	14	6	0.00	7.14	71.43	21.43	0	1	0	- 1	0	0	1.97	14.06	64.44	19.53
Erie PA 2360	4.94	15	6	6.67	6.67	73.33	13.33	0	2	- 1	0	- 1	0	5.16	13.32	63.76	17.76
Harrisburg PA 3240	5.33	28	12	0.00	0.00	67.86	32.14	6	3	0	0	3	0	3.31	8.46	65.26	22.96
Johnstown PA 3680	0.93	1	0	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	0.00	100.00	0.00
Lancaster PA 4000	0.21	2	1	0.00	0.00	50.00	50.00	1	1	0	- 1	1	0	1.69	8.71	80.91	8.70
Pennsylvania Non-MSA 9999	7.09	29	12	0.00	6.90	58.62	34.48	0	4	0	- 1	- 3	0	0.00	4.51	69.97	25.52
Reading PA 6680	0.24	0	0	0.00	0.00	0.00	0.00	0	0	0	0	0	0	3.47	12.00	69.37	15.16
State College PA 8050	1.46	5	2	20.00	0.00	40.00	40.00	1	1	0	0	0	0	7.53	10.66	45.18	31.82
Williamsport PA 9140	0.33	2	1	0.00	50.00	0.00	50.00	1	2	0	0	- 1	0	0.00	9.44	79.57	11.00
York PA 9280	0.20	2	1	0.00	0.00	100.00	0.00	0	1	0	0	- 1	0	2.70	9.01	82.06	6.23

<sup>3</sup> Pittsburgh: Including 2 branches which are in "NA" income census tracts, the total number of branches increases to 97.  
Reading: PNC sold its sole Reading branch in November 2001.