

PUBLIC DISCLOSURE

March 22, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

First Commonwealth Bank
Certificate Number: 7468

600 Philadelphia Street
Indiana, Pennsylvania 15701

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
New York Regional Office

350 Fifth Avenue, Suite 1200
New York, NY 10118

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION’S CRA RATING: This institution is rated **Satisfactory**.

An institution in this group has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities. has a satisfactory record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding	-	-	-
High Satisfactory	X	X	X
Low Satisfactory	-	-	-
Needs to Improve	-	-	-
Substantial Noncompliance	-	-	-
* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.			

The Lending Test is rated High Satisfactory.

- Lending levels reflect good responsiveness to assessment area credit needs.
- The bank made a high percentage of loans in its assessment areas.
- The geographic distribution of loans reflects good penetration throughout the assessment areas.
- The distribution of loans reflects, given the product lines offered by the institution, good penetration among retail customers of different income levels and business customers of different revenue sizes.
- The bank exhibits a good record of serving the credit needs of the most economically disadvantaged areas of its assessment areas, low-income individuals, and/or small businesses, consistent with safe and sound banking practices.
- The bank makes extensive use of innovative and flexible lending practices in order to serve assessment area credit needs.
- The bank is a leader in originating community development loans.

The Investment Test is rated High Satisfactory.

- The bank has a significant level of qualified community development investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.
- The bank exhibits adequate responsiveness to credit and community economic development needs.
- The institution occasionally uses innovative and/or complex investments to support community development initiatives.

The Service Test is rated High Satisfactory.

- Delivery systems are reasonably accessible to essentially all portions of the bank's assessment areas.
- To the extent changes have been made, the bank's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies or to low- and moderate-income individuals.
- Services do not vary in a way that inconveniences portions of the assessment areas, particularly low- and moderate-income geographies or low- and moderate-income individuals.
- The bank is a leader in providing community development services.

DESCRIPTION OF INSTITUTION

First Commonwealth Bank (FCB) is headquartered in Indiana, Pennsylvania (PA), and operates in Western and Central PA, and Eastern Ohio (OH). FCB is owned by First Commonwealth Financial Corporation (FCFC), a one-bank holding company also located in Indiana, PA. FCB has one subsidiary; the First Commonwealth Insurance Agency, which provides a full range of insurance and annuity products to retail and commercial clients. FCFC has four additional subsidiaries, First Commonwealth Capital Trust II and III that issue capital securities, FraMal Holding Corporation to hold investments, and First Commonwealth Financial Advisors that offers financial planning, asset management, and consulting services. FCFC also jointly owns Commonwealth Trust Credit Life Insurance Company, which provides credit life, credit accident, and health insurance. The institution received a Satisfactory rating at its previous Federal Deposit Insurance Corporation (FDIC) Performance Evaluation, dated March 23, 2020, based on Large Bank CRA Examination Procedures.

FCB operates 119 full-service branches, of which 94 are in PA and 25 are in OH. FCB offers a variety of loan products including home mortgage, commercial, and consumer loans, with a greater emphasis on residential lending. The bank's lending strategy did not change during the evaluation period. FCB offers deposit services including checking, savings, money market, certificate of deposit accounts, and Individual Retirement Accounts. Alternative banking services include internet and mobile banking, telephone banking, electronic bill pay, 120 full-service automated teller machines (ATMs), and 2 extended hour customer engagement centers to assist with after-hour financial service needs.

On February 1, 2023, FCB acquired Centric Bank, which was headquartered in Harrisburg, PA. The merger added seven branches in Central and Southeast PA. Bank management appropriately expanded the assessment area into Central and Eastern PA. However, the merger activity and expanded assessment area was not considered as part of this evaluation.

During the review period, FCB opened one branch in the Pittsburgh, PA Metropolitan Statistical Area (MSA) and relocated one branch in the Columbus, OH MSA. In addition, FCB closed 30 branches, 21 of which were located in PA: ten in the Pittsburgh, PA MSA, eight in the PA Non-MSA, and one each in the Altoona, Johnstown, and State College, PA MSAs. Nine of the closed branches were located in OH: six in the Columbus, OH MSA and three in the Cleveland-Akron-Canton, OH Combined Statistical Area (CSA).

FCB operates six loan production offices (LPOs). Specifically, FCB operates two mortgage LPOs, one in Hudson, OH (Cleveland-Akron-Canton, OH CSA) and one in Canfield, OH (Youngstown-Warren, OH-PA CSA). They continue to operate three commercial and corporate lending LPOs in Cleveland, Canton, and Columbus, in the Cleveland-Akron-Canton, OH CSA and Columbus, OH MSA, assessment areas. Finally, they established an equipment financing LPO in Chester, PA located in the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD CSA. Since the previous CRA evaluation, FCB opened two LPOs, one in the Youngstown-Warren, OH-PA CSA, and one in the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD CSA. They did not close any LPOs.

Assets totaled \$9.8 billion as of December 31, 2022, and included total loans of \$7.7 billion and total securities of \$1.2 billion. Total deposits as of December 31, 2022 were \$8.0 billion. The following table illustrates the composition of the bank’s loan portfolio.

Loan Portfolio Distribution as of 12/31/22		
Loan Category	\$(000s)	%
Construction and Land Development	516,353	6.8
Secured by Farmland	1,751	<0.1
Secured by 1-4 Family Residential Properties	2,203,286	28.8
Secured by Multifamily (5 or more) Residential Properties	431,151	5.6
Secured by Nonfarm Nonresidential Properties	1,992,110	26
Total Real Estate Loans	5,144,651	67.2
Commercial and Industrial Loans	1,104,221	14.4
Agricultural Loans	1,497	<0.1
Consumer Loans	1,297,647	17
Other Loans	105,988	1.4
Less: Unearned Income	0	0.0
Total Loans	7,654,004	100.0
<i>Source Reports of Condition and Income</i>		

FCB is primarily a real estate lender as loans secured by real estate represent 67.2 percent of the bank’s loan portfolio. Commercial loans, consisting of commercial real estate and commercial and industrial loans, comprise 40.5 percent, while loans secured by one-to four family residential properties comprise 28.8 percent of the loan portfolio. During the review period, the bank sold 4,520 loans totaling \$938.0 million on the secondary market. During 2020 and 2021, FCB was an active participant in the Small Business Administration’s (SBA) Paycheck Protection Program (PPP) originating 7,404 small business loans totaling \$846.3 million to businesses financially struggling due to the COVID-19 pandemic.

Examiners did not identify any financial, legal, or other impediments that affect the bank’s ability to meet assessment area credit needs.

DESCRIPTION OF ASSESSMENT AREAS

FCB has designated 10 assessment areas in 27 counties; 7 are in PA and 3 are in OH. The following table best illustrates the assessment areas.

Description of Assessment Areas				
Assessment Area	Counties in Assessment Area	# of Census Tracts 2015 ACS	# of Census Tracts 2020 U.S. Census	# of Branches
Pittsburgh, PA MSA	Allegheny, Armstrong, Beaver, Butler, Washington, and Westmoreland	675	688	47
PA Non-MSA	Bedford, Clearfield, Clinton, Elk, Indiana, Jefferson, Lawrence, Northumberland, Somerset, and Union	168	176	28
Williamsport, PA MSA	Lycoming	29	32	5
Altoona, PA MSA	Blair	34	38	5
Bloomsburg – Berwick, PA MSA	Montour	4	4	1
Johnstown, PA MSA	Cambria	42	42	7
State College, PA MSA	Centre	31	41	1
Columbus, OH MSA	Delaware and Franklin	319	368	10
Cleveland – Akron – Canton, OH CSA	Ashtabula and Stark	112	119	10
Cincinnati, OH MSA	Clermont and Hamilton	262	274	5
Totals		1,676	1,782	119
<i>Source Bank Records, 2010 and 2020 U.S. Census data</i>				

The number of assessment areas remained the same as the prior evaluation. However, management reduced the number of counties included in the Pittsburgh, PA MSA; Bloomsburg-Berwick, PA MSA; Columbus, OH MSA; and Cleveland-Akron-Canton, OH CSA assessment areas. Specifically, Fayette County was removed from the Pittsburgh, PA MSA and Columbia County was removed from the Bloomsburg-Berwick, PA MSA assessment areas. In addition, Madison and Morrow Counties were removed from the Columbus, OH MSA and Carroll, Portage, and Summit Counties were removed from the Cleveland-Akron-Canton, OH CSA assessment areas. Bank management updated the assessment areas in anticipation of the new CRA regulation, and on volume combined with physical natural barriers. The ten assessment areas are referred to as the combined assessment area. Please see the rated areas and individual assessment areas for additional information. The following sections discuss demographic and economic information for the combined assessment area.

According to the 2015 American Community Survey (ACS) Data, the combined assessment area included 1,676 census tracts. These tracts reflected the following income designations:

- 181 low-income tracts,
- 351 moderate-income tracts,
- 750 middle-income tracts,
- 362 upper-income tracts,

- 32 census tracts with no income designation.

According to 2020 U.S. Census Data, the combined assessment area includes 1,782 census tracts. These tracts reflect the following income designations:

- 156 low-income tracts,
- 379 moderate-income tracts,
- 767 middle-income tracts,
- 426 upper-income tracts,
- 54 census tracts with no income designation.

An emergency declaration (EM-3441) and a major disaster declaration (DR-4506), both related to the COVID-19 pandemic, affected the entire assessment area as of March 2020, continuing through the current evaluation. Examiners provide more details concerning the economic impacts of the COVID-19 pandemic within the respective assessment area sections.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated March 23, 2020 to the current evaluation date of March 22, 2023. Examiners used Interagency Large Institution CRA Examination Procedures to evaluate the bank's CRA performance. Large Institution CRA Examination Procedures consider three performance criteria: the Lending Test, the Investment Test, and the Service Test.

Examiners reviewed the bank's performance in ten assessment areas. FCB has seven assessment areas within PA and three assessment areas within OH. Within PA, examiners performed a full-scope review of three assessment areas. Examiners chose the Pittsburgh, PA MSA assessment area and non-MSA portions of PA (PA Non-MSA) assessment areas for full-scope review as these areas account for the greatest level of lending, deposits, and branches. As some of FCB's assessment areas had not been subject to full-scope review in the past two CRA evaluations, examiners selected one of these areas at random to ensure the institution's CRA performance in these infrequently reviewed assessment areas is regularly evaluated. The assessment area selected at random for full-scope review was the Williamsport, PA MSA assessment area. Examiners performed a limited-scope review of the following four assessment areas in PA: Altoona, PA MSA, Bloomsburg-Berwick, PA MSA, Johnstown, PA MSA, and State College, PA MSA. The bank's performance in the Pittsburgh, PA MSA assessment area contributed more weight to conclusions in PA.

Within OH, examiners performed a full-scope review of two assessment areas, the Columbus, OH MSA and the Cleveland-Akron-Canton, OH CSA assessment areas, as these areas account for the greatest level of lending, deposits, and branches. Examiners performed a limited-scope review of the Cincinnati, OH MSA assessment area. The bank's performance in the Columbus, OH MSA assessment area contributed more weight to conclusions in OH.

The bank's performance in PA contributed more weight to the overall conclusions, as the bank's operations in PA account for a majority of the institution's loans, deposits, and branches as detailed in the following table.

Assessment Area Breakdown of Loans, Deposits, and Branches						
Assessment Area	Loans		Deposits		Branches	
	\$(000s)	%	\$(000s)	%	#	%
Pittsburgh, PA MSA	1,714,484	43.2	3,444,673	42.6	47	39.5
PA Non-MSA	602,432	15.2	1,725,574	21.4	28	23.5
Williamsport, PA MSA	66,963	1.7	214,612	2.7	5	4.2
Altoona, PA MSA	106,407	2.7	324,737	4.0	5	4.2
Bloomsburg-Berwick, PA MSA	4,531	0.1	33,424	0.4	1	0.8
Johnstown, PA MSA	138,726	3.5	366,746	4.5	7	6.0
State College, PA MSA	33,613	0.9	68,318	0.9	1	0.8
Pennsylvania Subtotal	2,667,156	67.3	6,178,084	76.5	94	79.0
Columbus, OH MSA	888,072	22.4	792,924	9.8	10	8.4
Cleveland-Akron-Canton, OH CSA	307,241	7.7	937,091	11.6	10	8.4
Cincinnati, OH MSA AA	102,462	2.6	171,956	2.1	5	4.2
Ohio Subtotal	1,297,775	32.7	1,901,971	23.5	25	21.0
Total	3,964,931	100.0	8,080,055	100.0	119	100.0

Source Bank Data; FDIC Summary of Deposits (06/30/2022)

Activities Reviewed

Examiners determined that the bank's major product lines are home mortgage and small business loans. This conclusion considered the bank's business strategy and the number and dollar volume of loans originated during the evaluation period. The volume of home mortgage loans exceeded that of small business loans during the review period. Therefore, home mortgage lending was given more weight in overall conclusions. The bank's small farm lending was minimal, and is only presented in the assessment area concentration analysis, along with home mortgage and small business lending. No other loan types, such as consumer loans, represent a major product line. Therefore, they provided no material support for conclusions or ratings and are not presented.

Bank records indicated that the lending focus and product mix remained consistent throughout the evaluation period. This evaluation considered all home mortgage loans reported on the bank's 2020, 2021, and 2022 Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LARs). During the evaluation, the bank originated 8,187 HMDA loans totaling \$1.6 billion in 2020; 8,846 totaling \$1.6 billion in 2021; and 7,338 totaling \$1.4 billion in 2022. This evaluation also considered all small business and small farm loans reported on the bank's 2020, 2021, and 2022 CRA Loan Registers. The universe of small business loans in 2020 was 5,648 for \$518.0 million; in 2021 was 3,174 for \$346.2 million; and 1,306 for \$234.6 million in 2022. The universe of small farm loans in 2020 was 23 for \$914,000; in 2021 was 19 for \$1.2 million; and 15 for \$2.3 million in 2022. Examiners analyzed, but did not present 2020 lending activities within the Lending Test portions of the full-scope and limited-scope reviews. Examiners did not identify any trends between 2020, 2021, and 2022 that materially affect conclusions. Therefore, 2021 data, the most recent year for which aggregate data is available, contributed more weight to overall conclusions.

While number and dollar volume of loans are presented, examiners emphasized performance by number of loans under the geographic distribution and borrower profile criteria, because the number of loans is a better indicator of the number of individuals and businesses served.

Bank management provided information on community development loans, flexible lending programs, qualified investments, and community development services since the prior CRA evaluation dated March 23, 2020.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

The Lending Test performance in the combined assessment area is rated High Satisfactory. The Lending Activity, Assessment Area Concentration, Borrower Profile, Community Development Lending, and Innovative and Flexible Lending performance support this conclusion. The Lending Test performance in the OH rated area is slightly below the overall performance.

Lending Activity

The bank's lending levels reflect good responsiveness to assessment area credit needs. During the review period, the bank originated 29,936 home mortgage, small business, and small farm loans totaling approximately \$4.0 billion inside the combined assessment area. The number of home mortgage loans totaled 21,209 for approximately \$3.2 billion, small business loans totaled 8,684 for approximately \$799.6 million, and small farm loans totaled 43 for approximately \$1.7 million. During the review period, the bank's lending activity of home mortgages declined in 2022, mainly due to increasing interest rates. Small farm lending remained stable. In 2020 small business lending in the form of PPP loans drastically increased, but has since declined.

FCB ranked 10th out of 1,017 institutions that originated or purchased 312,513 home mortgage loans in the combined assessment area in 2021. The total number of home mortgage loans made by FCB inside the combined assessment area in 2021 (7,648 loans) represents a 2.5 percent market share.

FCB ranked 15th out of 289 CRA-reportable institutions that originated or purchased 145,944 small business loans in the combined assessment area in 2021. FCB's small business lending activity represented a 2.0 percent market share in the combined assessment area.

Assessment Area Concentration

The bank made a high percentage of home mortgage, small business, and small farm loans, by number and dollar volume, within its combined assessment area. See the following table.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				
	Inside		Outside			Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	\$(000s)
Home Mortgage										
2020	7,191	87.8	996	12.2	8,187	1,046,364	75.2	345,016	24.8	1,391,379
2021	7,648	86.5	1,198	13.5	8,846	1,142,892	73.1	421,284	26.9	1,564,176
2022	6,370	86.8	968	13.2	7,338	974,338	71.8	382,055	28.2	1,356,393
Subtotal	21,209	87.0	3,162	13.0	24,371	3,163,593	73.4	1,148,356	26.6	4,311,949
Small Business										
2020	5,150	91.2	498	8.8	5,648	417,062	80.5	100,967	19.5	518,029
2021	2,848	89.7	326	10.3	3,174	268,312	77.5	77,846	22.5	346,158
2022	686	52.5	620	47.5	1,306	114,243	48.7	120,356	51.3	234,599
Subtotal	8,684	85.7	1,444	14.3	10,128	799,617	72.8	299,169	27.2	1,098,786
Small Farm										
2020	21	91.3	2	8.7	23	669	73.2	245	26.8	914
2021	18	94.7	1	5.3	19	872	72.5	330	27.5	1,202
2022	4	26.7	11	73.3	15	179	7.9	2,079	92.1	2,258
Subtotal	43	75.4	14	24.6	57	1,720	39.3	2,654	60.7	4,374
Total	29,936	86.6	4,620	13.4	34,556	3,964,930	73.2	1,450,179	26.8	5,415,109
<i>Source Bank Data Due to rounding, totals may not equal 100.0%</i>										

Geographic Distribution

Geographic distribution of loans reflects good penetration throughout the combined assessment area. The bank's good performance of home mortgage and small business lending within the PA rated area, and specifically the Pittsburgh, PA MSA assessment area, primarily supports this conclusion, as this area received the most weight in the overall analysis. The bank's performance in the OH rated area is slightly below the overall performance.

Borrower Profile

The distribution of borrowers reflects good penetration among individuals of different income levels and businesses of different revenue sizes in the combined assessment area. The bank's good performance of home mortgage and small business lending within the PA rated area, and specifically the Pittsburgh, PA MSA assessment area, primarily supports this conclusion. The bank's performance in the OH rated area is slightly below the overall performance.

Innovative or Flexible Lending Practices

FCB makes extensive use of both innovative and flexible lending programs to serve the needs of low- and moderate-income individuals within its combined assessment area. Examiners assesses these programs using the following criteria: 1) the degree in which the loans serve low- and moderate-income borrowers in new ways or serve creditworthy borrowers not previously served by the institution; and 2) the success of these products in terms of number and dollar volume originated during the review period.

Innovative or Flexible Lending Programs										
Type of Program	2020*		2021		2022		YTD 2023**		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Internally Developed Programs & Home Mortgage Programs	582	67,072	645	76,180	633	70,494	94	8,941	1,954	222,687
Small Business Programs	73	53,081	99	82,539	152	131,909	32	31,781	356	299,310
Consumer Programs	781	608	583	408	448	348	75	71	1,887	1,435
Totals	1,436	120,761	1,327	159,127	1,233	202,751	201	40,793	4,197	523,432
<i>Source Bank Records</i>										
<i>(*) Includes loan data from March 24, 2020 to December 31, 2020</i>										
<i>(**) January 1, 2023 to March 22, 2023</i>										

FCB originated 4,197 innovative and flexible loans totaling \$523.4 million during the review period. This represents a significant increase by dollar volume from the previous evaluation, when the bank originated 3,289 innovative and flexible loans for \$288.7 million, primarily due to the bank's supportive SBA lending program and offering secured consumer credit cards. In addition, the bank offered one new program known as Right@Home. The following tables detail the bank's innovative and flexible loan programs, by category.

Innovative or Flexible Lending Programs										
Type of Program	2020*		2021		2022		YTD 2023**		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Internally Developed Programs										
First@Home	140	12,858	165	16,366	168	17,072	18	1,920	491	48,216
Community First Home Improvement	23	158	30	230	62	396	8	57	123	841
Right@Home	NA	NA	1	15	20	400	13	473	34	888
Home Mortgage Programs										
Federal Housing Administration (FHA)	149	20,043	123	17,897	88	14,120	14	2,344	374	54,405
First Front Door (FFD)	92	8,099	91	8,775	67	6,058	2	156	252	23,088
<i>FFD Closing Cost Assistance^{\$}</i>	NA	437	NA	444	NA	320	NA	10	NA	1,211
<i>FFD FCB Closing Cost Assistance^{\$}</i>	NA	51	NA	50	NA	37	NA	1	NA	139
United States Department of Agriculture (USDA)	75	7,886	87	10,665	58	7,047	5	387	225	25,985
Foreclosure Prevention (Borrower Assistance)	1	29	26	2,067	43	4,429	6	420	76	6,945
United States Department of Veteran Affairs (VA)	46	10,979	46	10,672	41	10,435	3	601	136	32,687
Home Possible	23	2,838	28	3,427	46	5,785	11	849	108	12,899
Pennsylvania Housing Finance Agency (PHFA)	17	1,963	17	2,020	11	1,408	1	142	46	5,533
Home Ready	14	1,400	31	3,552	28	2,915	12	1,452	85	9,320
Community Acquisition & Rehabilitation Loan (CARL)	1	180	0	0	0	0	0	0	1	180
Ohio Housing Finance Agency (OHFA)	1	151	0	0	1	72	1	129	3	352
Fix It Funds	0	0	0	0	0	0	0	0	0	0
Totals	582	67,072	645	76,180	633	70,494	94	8,941	1954	222,687
<i>Source Bank Records</i> (*) Includes loan data from March 24, 2020 to December 31, 2020 (**) January 1, 2023 to March 22, 2023 (\$) These programs involve dollar amounts distributed; metrics by instances unavailable										

Internally Developed Programs

First@Home Mortgage: This loan program, specifically designed for low- and moderate-income borrowers and first-time homebuyers, offers a fixed-rate, 30-year term, and only requires a one percent down payment, with a no mortgage insurance requirement. In addition, FCB subsidizes closing costs through a matching funds program that allows for up to a \$2,000 credit on behalf of

the bank at closing. The minimum credit score to qualify is 620. The program also requires budgeting and credit counseling to help ensure financial sustainability and success for the homebuyer.

Community First Home Improvement Loan Program: This loan program offers closed-end, fixed-rate, home improvement loans to low- and moderate-income borrowers. The loans offer a one percent reduction on the current consumer rate, with no closing costs except for the appraisal, and a minimum loan amount of \$1,000.

Right@Home Home Equity Installment Loan: Introduced in 2021, this home equity loan program is exclusively for borrowers with their primary residence in a low- or moderate-income census tract. The bank allows borrowing up to 90 percent of the value of the home as a first or second lien, with a loan amounts from \$5,000 to \$25,000. Furthermore, the bank reduced closing costs and accepts a minimum credit score of 620 to qualify borrowers.

Home Mortgage Programs

FHA: FHA loans allow homebuyers to make a minimal down payment, finance a portion of the closing costs, and qualify at higher debt ratios.

First Front Door: First Front Door is a first-time homebuyer grant product offered through the Federal Home Loan Bank of Pittsburgh. The product provides down payment and closing cost assistance to qualified first-time homebuyers with incomes at or below 80 percent of the area median income. The maximum amount of the grant is \$5,000.

USDA: The USDA's single-family housing programs provide homeownership opportunities to low- and moderate-income families residing in rural areas through several loan, grant, and loan guarantee programs. The programs also makes funding available to individuals to finance vital improvements necessary to make their homes decent, safe, and sanitary. As of mid-2018, the bank originates USDA loans in-house. Previously, USDA loans were brokered.

Foreclosure Prevention (Borrower Assistance): The bank offers two programs for Foreclosure Prevention. One program is a loan modification that entails a permanent restructuring of the mortgage changing one or more terms to make the mortgage loan more affordable or manageable. The second program is a refinance, where the new loan has a lower interest rate or other favorable terms to replace the original loan.

VA: A VA loan is a mortgage loan guaranteed by the U.S. Department of Veterans Affairs. The VA loan offers long-term financing to eligible American veterans or their surviving spouses. The basic intention of the VA loan program is to supply home financing to eligible veterans in areas where private financing is not generally available and to help veterans purchase properties with no down payment.

Home Possible: Home Possible is a loan program partnership with Freddie Mac and offers down payments as low as three percent for low- and moderate-income homebuyers. The program also offers flexible down payment sources, term flexibility, refinance options, and income flexibility.

PHFA: Provides affordable financing to low- or moderate-income persons to buy a home through a variety of programs. Qualified borrowers can also receive assistance with closing costs and down payment.

Home Ready: Home Ready is loan partnership with Fannie Mae and offers down payments as low as three percent for low-income homebuyers. The program also offers flexible down payment and closing cost sources, and low credit score eligibility.

CARL: This first mortgage program offers loans in partnership with the Pittsburgh Community Reinvestment Group and Urban Redevelopment Authority. Under the program, buyers can obtain an acquisition-rehabilitation loan for a properties in low- and moderate-income areas of Pittsburgh. Financing features a post rehabilitation maximum loan to value of 95 percent with no private mortgage insurance requirement due to loan loss guarantee provided by the Urban Redevelopment Authority.

OHFA: The bank partners with OHFA to assist low- and moderate-income homebuyers with affordable 30-year, fixed rate mortgage options.

Fix it Funds: This loan program offers loans in collaboration with the Stark County Treasurer’s Office. Fix it Funds enables homeowners within Stark County to access a lower interest rate home equity line of credit or home equity installment loan to make repairs or improvements on their primary residence

Innovative or Flexible Lending Programs Small Business Programs										
Type of Program	2020*		2021		2022		YTD 2023**		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
SBA 7(a) and 7(a) Small Loan	33	42,717	68	74,878	112	112,496	24	29,407	237	259,498
SBA Community Express	27	3,670	22	3,418	33	11,873	7	1,374	89	20,335
SBA CAPLines	3	2,900	4	3,650	7	7,540	1	1,000	15	15,090
SBA Small Loan	9	1,359	4	243	0	0	0	0	13	1,602
SBA - Other	1	2,435	1	350	0	0	0	0	2	2,785
Totals	73	53,081	99	82,539	152	131,909	32	31,781	356	299,310
<i>Source Bank Records</i>										
<i>(*) Includes loan data from March 24, 2020 to December 31, 2020</i>										
<i>(**) January 1, 2023 to March 22, 2023</i>										

Small Business Programs

SBA: The bank offers multiple SBA programs, including the Standard 7(a) and 7(a) Small Loan, Community Express, 504 Loan, and CAPLines Program.

- The Standard 7(a) and 7(a) Small Loan program serves as the SBA’s primary business loan program to help qualified small businesses obtain flexible financing, when they might not be eligible for business loans through normal business channels.
- Community Express was developed in collaboration with the National Community Reinvestment Coalition and its member organizations. This program allows selected lenders

to offer loans in pre-designated geographic areas serving mostly low- and moderate-income areas and “New Markets” small businesses.

- The 504 Loan Program provides long-term, fixed rate financing to acquire assets for expansion or modernization through a Certified Development Company. The program is a powerful economic development tool that provides small businesses financing, while promoting business growth, and job creation.
- CAPLines program is for loans up to \$5 million and designed to help small businesses meet their short-term and cyclical working capital needs. There are four specific loan programs for Contract Loans, Seasonal Line of Credit, Builders Line, and Working Capital Line of Credit.

SBA - Other - International Trade Loan: International Trade loans provide long-term financing up to \$5.0 million to businesses that are expanding because of growing export sales or adverse effects of imports and need to modernize to meet foreign competition. Businesses can use International Trade loans for fixed assets for construction, building, real estate equipment, and for working capital for export transactions.

SBA - Other - Export Express: The Export Express program provides exporters and lenders a streamlined method to obtain SBA-backed financing for loans and lines of credit up to \$500,000. Lenders use their own credit decision process and loan documentation. The SBA will respond to applications within 24 hours.

GrowNOW: Offered in partnership with the OH Treasurer’s office, this program enables small business owners to receive up to a three percent interest rate reduction on new or existing small business loans for two years. Eligible businesses are required to be able to save or create one full-time or two part-time jobs for every \$50,000 borrowed.

Innovative or Flexible Lending Programs										
Consumer Programs										
Type of Program	2020*		2021		2022		YTD 2023**		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Small Dollar Loan	145	219	53	89	55	92	8	16	261	416
Secured Credit Cards	621	359	509	288	372	234	66	55	1,568	936
Student Credit Cards	15	30	21	32	21	21	1	1	58	84
Totals	781	608	583	408	448	348	75	71	1,887	1,436
<i>Source Bank Records</i>										
<i>(*) Includes loan data from March 24, 2020 to December 31, 2020</i>										
<i>(**) January 1, 2023 to March 22, 2023</i>										

Consumer Programs

Small Dollar Loan Program: This program is an internal program offered by the bank. The small dollar loan program offers loan amounts of \$2,500 or less, loan terms of 90 days or more, annual percentage rates of 36 percent or less, and low or no closing fees.

Secured Credit Card Program: This credit card program assists individuals with troubled debt histories. A securitized credit card allows the establishment or re-establishment of credit history with credit reporters. The security deposit remains in an interest bearing account. Available

amounts range from \$300 to \$5,000 and includes automated electronic notifications on account activities, online banking, credit score monitoring on bank statements, and e-statements.

Student Credit Card Program: This credit card program assists student-aged persons to build credit history by providing a limited credit amount from \$300 to \$5,000 with no annual fees. The account includes automated electronic notifications on account activities, online banking, and e-statements. Other features include a rewards program and credit score monitoring on bank statements.

Community Development Loans

FCB is a leader in originating community development loans. During the evaluation period, the bank originated 199 community development loans totaling approximately \$215.5 million. This level of activity represents 2.3 percent of average total assets and 3.1 percent of average total loans since the prior CRA evaluation. At the prior evaluation, the bank originated 95 community development loans totaling \$150.8 million, representing 2.0 percent of average total assets and 2.6 percent of average total loans at that evaluation. At the previous evaluation, examiners considered FCB to have made a relatively high level of community development loans. The bank originated 105 loans to create affordable housing in the combined assessment area. These loans demonstrate the bank’s responsiveness to this community development need identified by community contacts. The following table illustrates the bank’s community development lending activity by rated area and by community development purpose. As shown, FCB originated the majority of community development loans by dollar amount within the OH rated area.

Community Development Lending by Assessment Area										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Pennsylvania	70	36,345	49	18,026	4	9,465	4	15,875	127	79,711
Ohio	35	47,773	18	9,118	10	33,208	9	45,715	72	135,814
Total	105	84,118	67	27,144	14	42,673	13	61,590	199	215,525
<i>Source Bank Data</i>										

For details and examples of FCB’s community development loans originated during the evaluation period, please refer to the Community Development Lending section under each of the assessment areas receiving a full-scope review.

INVESTMENT TEST

The Investment Test performance in the combined assessment area is rated High Satisfactory. The significant level of qualified community development investment and grants supports this conclusion. The Investment Test performance in the PA rated areas are consistent with overall performance and primarily support this conclusion.

Investment and Grant Activity

FCB has a significant level of qualified community development investment and grants. FCB made 642 qualified investments totaling approximately \$36.5 million. This total includes 32 new qualified equity investments totaling \$13.3 million, 63 outstanding qualified equity investments

totaling \$18.3 million, and 547 donations or grants totaling \$4.9 million. This total equates to 0.4 percent of average total assets and 2.7 percent of average total securities since the previous evaluation. This is a decrease from the previous evaluation, where investments totaled approximately \$46.7 million, representing 0.6 percent of average total assets and 4.2 percent of average total securities.

Qualified Investments by Rated Area										
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Pennsylvania	73	8,341	331	1,173	67	8,558	3	684	474	18,756
Ohio	32	10,282	123	417	8	4,621	0	0	163	15,320
Nationwide Activities	0	0	3	2	2	2,392	0	0	5	2,394
Total	105	18,623	457	1,592	77	15,571	3	684	642	36,470
<i>Source Bank Data</i>										

The bank’s qualified investments and donations that benefit both the PA and OH rated area include 52 (OH-25; \$65,548; PA-27; \$1,165,779) individual donations and grants to various community service organizations, providing a total of \$1.2 million in direct support to emergency shelters and sustenance provisions. Furthermore, the bank continues to maintain a mortgage backed security for \$159,000 in support of broader efforts to keep affordable housing options viable.

As the bank has been responsive to other community development needs and opportunities in its combined assessment area, examiners also considered approximately \$2.4 million in nationwide investments. Specifically, the bank maintained their investments in two Small Business Investment Companies (SBIC) made in 2015 and 2019. Separate from these investments, as of January 2023, the bank also has a \$2.0 million unfunded SBIC commitment that was not included in the investment totals. This unfunded commitment was to Stonehenge Fund V for the purposes of broadly investing within and beyond the bank’s assessment area. The SBIC program sponsored by the U. S. Small Business Administration (SBA) provides equity and debt investments in qualified small businesses.

Responsiveness to Credit and Community Development Needs

FCB exhibits adequate responsiveness to credit and community economic development needs throughout its combined assessment area. Management directed the majority of the bank’s investments and grants within the combined assessment area, by number and dollar amount, to affordable housing.

Community Development Initiatives

The bank occasionally uses innovative and/or complex investments to support community development initiatives. FCB’s investments primarily include Mortgage Backed Securities (MBSs) and various tax credit programs.

SERVICE TEST

The Service Test performance in the combined assessment area is rated High Satisfactory. The level of community development services supports this conclusion. The Service Test performance in the PA rated area contributed the most weight in arriving at overall conclusions. The OH rated area is consistent with the overall performance.

Accessibility of Delivery Systems

The bank's delivery systems are reasonably accessible to essentially all portions of the institution's assessment area. FCB serves the combined assessment area with 119 branches, including 94 in the PA rated area and 25 in the OH rated area. Most branch locations also have an ATM; FCB operates 120 full-service ATMs in the combined assessment area, including 94 in PA and 26 in OH. Alternative banking services such as telephone banking, online banking, mobile banking, and digital payments are available to increase accessibility of retail banking services. For additional information on the distribution of branches and ATMs, refer to the individual assessment areas under the Service Test.

Changes in Branch Locations

To the extent changes have been made, the institution's opening and closing of branches have generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. The following table shows the net changes in branch locations from openings, closings, and the effects of the 2020 U.S. Census.

Net Distribution of Branch Openings/Closings							
Assessment Area	# of Branch Openings	# of Branch Closings	Income Level of Census Tract (+/-)				
			Low	Moderate	Middle	Upper	NA
Pennsylvania	1	21	-1	0	-18	0	-1
Ohio	0	9	-1	1	-9	1	-1
Total	1	30	-2	1	-27	1	-2

Of the 30 total branch closures, 1 was in a low-income census tract and 6 were in moderate-income census tracts. On December 11, 2020 the bank closed 28 branches. In 2021, the bank closed two additional branches, one in PA and one in OH. The bank opened one branch in an upper-income census tract and relocated one branch within the same moderate-income census tract. For additional information on the changes in branch locations, refer to the individual assessment areas under the Service Test.

Bank management closed the branches because they noted a substantial shift in how customers choose to bank. Customers are doing significantly fewer in-branch transactions and are conducting more digital, mobile, or online transactions. The accessibility of alternative delivery systems, the close proximity of other FCB locations, and the close proximity of other financial institution branches limits the impact on low- and moderate-income individuals.

Finally, bank management stated that between 58 percent and 81 percent of customers who bank at the impacted low- and moderate-income locations use digital, mobile, or online transactions. All digital services are free of charge.

Reasonableness of Business Hours and Services

Services and business hours do not vary in a way that inconveniences portions of the assessment area, particularly low- and moderate-income geographies and low- and moderate-income individuals. Branch hours are consistent with each location open from 9:00 A.M. to 5:00 P.M. Monday through Friday. In addition, 73 branches are open from 9:00 A.M. to 12:00 P.M. on Saturday. Of those 73 branches open on Saturday, one is in a low-income census tract (PA) and 11 are in moderate-income census tracts (8 in PA and 3 in OH). Finally, each branch offers the same services.

Community Development Services

The bank is a leader in providing community development services throughout the assessment areas. The bank provided 8,041 hours of financial expertise, technical assistance, and financial education to many community development-related organizations and low- and moderate-income individuals, often on an ongoing basis. While this is a decrease in total hours (10,214) from the previous examination, examiners acknowledge the impact of the COVID-19 pandemic on the ability for the bank to provide financial education, and for many community development organizations to conduct services; however, the bank made significant strides to adapt financial education to be provided virtually increasing the availability of these programs into the future. The following table illustrates the bank’s community development service hours by rated areas and community development purpose.

Community Development Services by Rated Area					
Rated Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Pennsylvania	1,097	2,346	816	87	4,346
Ohio	129	2,011	577	104	2,821
Regional Activities	20	632	201	21	874
Total	1,246	4,989	1,594	212	8,041
<i>Source Bank Data</i>					

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence discriminatory or other illegal credit practices; therefore, this consideration did not affect the bank’s overall CRA rating.

PENNSYLVANIA

CRA RATING FOR PENNSYLVANIA: SATISFACTORY

The Lending Test is rated: High Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN PENNSYLVANIA

Economic and Demographic Data

FCB designated seven assessment areas in PA. Collectively, examiners refer to the seven assessment areas as the PA rated area. The bank operates 94 branches in PA, 20 less than at the prior evaluation. Two counties in the PA Non-MSA assessment area have middle-income underserved or distressed tracts. Additionally, there were two designated disaster areas that impacted two counties in the PA rated area.

The PA rated area includes 1,021 census tracts. These tracts reflect the following income designations according to 2020 U.S. Census Data:

- 59 low-income tracts,
- 201 moderate-income tracts,
- 511 middle-income tracts,
- 218 upper-income tracts,
- 32 census tracts with no income designation.

The 2020 U.S. Census data included changes in census tract boundaries and income categories. Since the 2010 U.S. Census, total census tracts increased from 983 to 1,021. Furthermore, U.S. Census changes showed a decrease in low-income census tracts from 70 to 59 and an increase in moderate-income census tracts from 191 to 201.

The following table illustrates select demographic characteristics of the PA rated area.

Demographic Information of the Assessment Area						
Assessment Area: First Commonwealth State of Pennsylvania						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,021	5.8	19.7	50.0	21.4	3.1
Population by Geography	3,407,760	4.1	15.9	51.5	27.0	1.5
Housing Units by Geography	1,623,149	4.5	18.2	52.6	24.0	0.7
Owner-Occupied Units by Geography	1,009,305	2.0	14.7	55.4	27.7	0.1
Occupied Rental Units by Geography	428,594	9.1	24.1	46.1	18.9	1.8
Vacant Units by Geography	185,250	7.5	24.1	52.3	15.2	1.0
Businesses by Geography	354,890	4.5	14.2	46.4	33.2	1.7
Farms by Geography	10,154	1.5	10.9	63.0	24.3	0.3
Family Distribution by Income Level	870,363	19.4	18.3	21.4	40.9	0.0
Household Distribution by Income Level	1,437,899	24.3	15.9	17.6	42.2	0.0
Median Family Income MSA - 11020 Altoona, PA MSA		\$67,495	Median Housing Value			\$160,212
Median Family Income MSA - 14100 Bloomsburg-Berwick, PA MSA		\$70,725	Median Gross Rent			\$850
Median Family Income MSA - 27780 Johnstown, PA MSA		\$65,560	Families Below Poverty Level			7.1%
Median Family Income MSA - 38300 Pittsburgh, PA MSA		\$82,642				
Median Family Income MSA - 44300 State College, PA MSA		\$90,415				
Median Family Income MSA - 48700 Williamsport, PA MSA		\$66,824				
Median Family Income Non-MSAs - PA		\$65,202				
<i>Source 2020 U.S. Census and 2022 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

There are 1,623,149 housing units. Of these, 62.2 percent are owner-occupied, 26.4 percent are occupied rental units, and 11.4 percent are vacant. The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units.

According to 2022 D&B data, there were 354,890 businesses. The following are the gross annual Revenues (GARs) for these businesses.

- 87.2 percent have \$1.0 million or less;
- 3.8 percent have more than \$1.0 million; and,
- 9.0 percent have unknown revenues.

Service industries represent the largest portion of businesses at 38.1 percent; followed by non-classifiable establishments (19.8 percent); and retail trade (11.3 percent). In addition, 63.3 percent of area businesses have four or fewer employees, and 91.0 percent operate from a single location.

The following table details the unemployment data from the U.S. Bureau of Labor Statistics for the assessment area and related areas. The table presents the U.S. Bureau of Labor and Statistics data for December 2020, 2021, and 2022. Unemployment rose steeply during April 2020 and remained high through July 2020 due to the COVID-19 pandemic. For the majority of the review period unemployment rates generally trended downward.

Unemployment Rates for the State of Pennsylvania			
Area	2020	2021	2022
	%	%	%
Pennsylvania	7.9	3.8	3.8
National Average	6.7	3.9	3.5
<i>Source Bureau of Labor Statistics</i>			

Competition

The assessment area is competitive in the market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2022, there were 78 financial institutions operating 1,107 branches within the PA rated area. Of these institutions, FCB ranked 7th with a 2.5 percent deposit market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2021, 747 lenders reported a total of 143,718 residential mortgage loans originated or purchased. FCB ranked 4th out of this group of lenders, with a market share of 4.3 percent. The three most prominent home mortgage lenders (Rocket Mortgage, CBNA, and PNC Bank N.A.) accounted for 17.3 percent of total market share.

There is a moderate level of competition for small business loans. In 2021, 221 lenders reported a total of 75,615 small business loans originated or purchased. FCB ranked 9th out of this group of lenders, with a market share of 3.2 percent. The three most prominent small business lenders (PNC Bank N.A., American Express N.A., and JPMorgan Chase Bank N.A.) accounted for 35.4 percent of total market share.

Community Contact

As part of the evaluation process, examiners contact third-parties active in the assessment area to assist in identifying credit and community development needs. Information obtained reflects the responsiveness of local financial institutions to credit and community development needs, and opportunities for participation in related activities.

Examiners contacted an economic and community development organization that promotes business expansion through regional partnerships in the southern Alleghenies. This organization focuses on community, economic, and workforce development. In addition, this organization maintains the goals of enhancing the quality of life and sustainability in six counties including Blair (Altoona, MSA), Bedford (PA Non-MSA), Cambria (Johnstown, MSA), and Somerset (PA Non-

MSA) Counties. The contact noted that the local economy is slowly recovering from the COVID pandemic and related issues, but is experiencing the same issues as other areas of the country, such as a lack of workforce. The agricultural sector seems to be doing better than others while the service and retail sectors are suffering from a lack of workers. Finally, the contact praised financial institutions for their involvement and responsiveness to credit and community needs.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that home mortgage loans and small business loans represent the primary credit needs for the PA rated area. Affordable housing is a critical community development need throughout the PA rated area, with the demand for affordable housing outweighing the current supply. Small business loans, particularly for start-up and working capital, are in high demand. The high percentage of businesses with GARs of \$1.0 million or less, operate out of a single location, and maintain a workforce of four or fewer employees illustrates the opportunities for small business lending.

SCOPE OF EVALUATION PENNSYLVANIA

The scope is similar to the overall scope discussed previously, except that this portion of the evaluation only considers assessment area activity within PA. Please refer to the overall discussion for more information on products reviewed, review timeframe, and weighting of products. This state accounts for the largest portion of lending and other activities compared to OH; therefore, performance in PA carries the most weight in arriving at overall ratings and conclusions.

The evaluation for PA considered the bank operations in seven assessment areas. The following three assessment areas were subject to a full-scope review: Pittsburgh, PA MSA; PA Non-MSA; and Williamsport, PA MSA. Examiners performed a full-scope review on those assessment areas due to the larger volume of lending, deposits, and branches within these assessment areas. Pittsburgh, PA MSA has the largest volume of lending, deposits, and branches carried the most weight followed by PA Non-MSA, and finally Williamsport, PA MSA. The Altoona, PA MSA; Bloomsburg-Berwick, PA MSA; Johnstown, PA MSA; and State College, PA MSA assessment areas were subject to a limited-scope review.

CONCLUSIONS ON PERFORMANCE CRITERIA IN PENNSYLVANIA

LENDING TEST

The Lending Test performance in PA is rated High Satisfactory. The Geographic Distribution, Borrower Profile criterion, Innovative or Flexible Lending Practices, and Community Development Lending performances supports this conclusion. The Lending Test performance is consistent throughout the majority of PA assessment areas; however, performance in the Williamsport, PA MSA, and Johnstown, PA MSA assessment areas is slightly below the overall performance.

Lending Activity

The bank's lending levels reflect good responsiveness to the PA rated area credit needs. During the review period, the bank originated 24,188 home mortgage, small business, and small farm loans totaling approximately \$2.7 billion inside the PA rated area. Inside the PA rated area, the number of home mortgage loans totaled 16,911 for approximately \$2.0 billion, small business loans totaled 7,240 for approximately \$637.4 million, and small farm loans totaled 37 for approximately \$1.3 million. During the review period, the bank's home mortgage and small farm lending activity remained stable.

In 2020 small business lending in the form of PPP loans drastically increased, but has since declined. The bank was an active participating lender for the PPP program in 2020 and 2021, originating a combined number of 5,735 loans with a dollar volume of \$556.6 million in the PA rated area. This represents 84.0 percent by number and 81.9 percent by dollar volume for all PPP loans originated within the combined assessment area.

Geographic Distribution

Geographic distribution of loans reflects good penetration throughout the PA rated area. The bank's good performance of home mortgage and small business lending within the Pittsburgh, PA MSA assessment area primarily supports this conclusion, as this area received the most weight in the

overall analysis. The bank’s performance within the PA Non-MSA assessment area lends additional support; performance in the Williamsport, PA MSA was below the overall PA performance.

Borrower Profile

The distribution of borrowers reflects good penetration among individuals of different income levels and businesses of different revenue sizes in the PA rated area. The bank’s good performance of home mortgage and small business lending in all three full-scope areas supports this conclusion.

Innovative or Flexible Lending Practices

FCB makes extensive use of innovative and flexible lending practices to address the credit needs of low- and moderate-income individuals and geographies throughout each assessment area. The First Front Door, CARL, and PHFA programs are specific to PA.

Community Development Loans

FCB is a leader in originating community development loans within the PA rated area, particularly within the Pittsburgh, PA MSA assessment area. The following table illustrates the bank’s community development lending activity by PA assessment area and by community development purpose. By number and dollar volume, this level represents 63.8 percent and 36.9 percent, respectively. This represents 0.9 percent of average total assets and 1.1 percent of average total loans since the prior CRA evaluation. At the prior evaluation, FCB’s community development loans represented 0.7 percent of average total assets and 0.9 percent of average total loans. Examiners rated FCB as a leader in making community development loans and the current evaluation shows similar performance. As shown, there are several PA assessment areas with no qualified community development activity.

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Pittsburgh MSA	51	32,272	37	13,282	0	0	3	15,234	91	60,788
PA Non-MSA	10	1,731	10	1,808	1	1,600	1	641	22	5,780
Williamsport MSA	3	665	0	0	2	6,750	0	0	5	7,415
Altoona MSA	2	390	1	2,890	1	1,115	0	0	4	4,395
Bloomsburg-Berwick MSA	0	0	0	0	0	0	0	0	0	0
Johnstown MSA	1	208	1	46	0	0	0	0	2	254
State College MSA	0	0	0	0	0	0	0	0	0	0
Statewide Activities	3	1,079	0	0	0	0	0	0	3	1,079
Regional Activities	0	0	0	0	0	0	0	0	0	0
Total	70	36,345	49	18,026	4	9,465	4	15,875	127	79,711
<i>Source Bank Data</i>										

For details and examples of FCB’s community development loans originated during the evaluation period, please refer to the Community Development Lending section under the assessment areas receiving full-scope review.

INVESTMENT TEST

An overall High Satisfactory rating is assigned under the Investment Test. The bank’s performance in the Pittsburgh, PA MSA assessment area primarily drives the rating. The bank’s performance in the remaining PA assessment areas is below the overall rating.

Investment and Grant Activity

FCB has a significant level of qualified community development investments and donations in the PA rated area. FCB made qualified investments and donations totaling \$18.8 million. By number and dollar volume, this level represents 73.4 percent and 51.4 percent of the bank-wide qualified investment activity. As of December 31, 2022, this represents 0.2 percent of average assets and 1.4 percent of average total securities since the previous evaluation. At the prior evaluation, FCB’s qualified investments represented 0.4 percent of average total assets and 2.3 percent of average total securities, which examiners considered a significant level of qualified community development investments and donations. The following table illustrates the bank’s qualified investments and donations activity by assessment area and community development purpose. Additional details by year are contained within the sections for the individual assessment areas.

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Pittsburgh MSA	43	7,436	136	503	46	6,906	1	500	226	15,345
PA Non-MSA	8	115	110	463	0	0	0	0	118	578
Williamsport MSA	0	0	14	19	1	28	0	0	15	47
Altoona MSA	0	0	27	76	3	90	0	0	30	166
Bloomsburg-Berwick MSA	0	0	0	0	0	0	0	0	0	0
Johnstown MSA	1	1	23	74	2	189	0	0	26	264
State College MSA	5	23	11	28	4	289	0	0	20	340
Statewide Activities	16	767	10	10	11	1,055	2	184	39	2,016
Regional Activities	0	0	0	0	0	0	0	0	0	0
Total	73	8,342	331	1,173	67	8,557	3	684	474	18,756
<i>Source Bank Data</i>										

The following are notable examples of the bank’s qualified investments and donations that benefit multiple assessment areas within PA.

Prior Period Investments

- The bank continues to hold 10 MBSs totaling \$260,000 in support of affordable housing efforts throughout the state. Furthermore, the bank holds a single \$492,000 revenue bond with the PA Housing Finance Agency, which uses proceeds to provide funds to purchase new mortgage loans. The PA Housing Finance Agency focused on primarily serving first time homebuyer and borrowers who are low- and moderate-income.

- The bank continues to maintain a \$100,000 investment since 2007 in the Chambersburg Community Development Corporation (CDC), which operates to promote, develop, and improve the housing and economic conditions of people in the city of Chambersburg and throughout Franklin County. The CDC encourages investments in small businesses and the supply of jobs and increases in the supply of affordable housing for low- and moderate-income persons.

New Investments

- From 2020 to 2022, the bank invested in 12 statewide entities located in either a Keystone Innovation Zone (KIZ) or an Enterprise Zone (EZP) designated by the Commonwealth of PA. FCB invested a combined total of \$1.1 million for these programs.
 - The KIZ is an effort to spur technological growth of key industries identified as lacking throughout the state. The program targets promising businesses and caps any potential tax credit offsets to a maximum \$100,000 per business claim. This ensures that small businesses benefit the most by hiring, retaining, or expanding their operations in specified zones to improve local economies by adapting to industries of the future.
 - Pittsburgh MSA assessment area - 14 tax credits totaling \$1,135,706
 - Altoona MSA assessment area – 3 tax credits totaling \$90,278
 - Williamsport MSA assessment area – 1 tax credits totaling \$28,169
 - State College MSA assessment area – 4 tax credits totaling \$289,024
 - Statewide – 11 businesses with tax credits totaling \$669,409
 - The EZP is an incentive program that provides tax credits to businesses or private companies investing in rehabilitating, expanding, or improving buildings or land located within designated enterprise zones. The tax credits can be for real property improvements such as rehab, expansion, or physical improvements to buildings or land resulting in jobs created or retained.
 - Pittsburgh MSA assessment area – 1 tax credit totaling \$470,000
 - Altoona MSA assessment area – 1 tax credit totaling \$174,279
 - Statewide – 1 tax credit totaling \$470,000

Responsiveness to Credit and Community Development Needs

FCB exhibits adequate responsiveness to credit and community economic development needs throughout the PA rated area. Management directed the majority of the bank’s investments and grants, by number and dollar amount, to economic development and affordable housing.

Community Development Initiatives

FCB makes occasional use of innovative and/or complex investments to support community development initiatives. FCB’s investments primarily include MBSs and various tax credit programs.

SERVICE TEST

The bank’s overall Service Test performance in the PA rated area is High Satisfactory. The bank’s performance in the Pittsburgh, PA MSA and PA Non-MSA assessment areas primarily drive the

rating. The bank’s performance in the remaining PA assessment areas is slightly below the overall rating.

Accessibility of Delivery Systems

The bank’s delivery systems are reasonably accessible to essentially all portions of the PA rated area. FCB serves the PA rated area with 94 branches and ATMs. Alternative banking services such as telephone banking, online banking, mobile banking and digital payments are available to increase accessibility of retail banking services. For additional information on the distribution of branches and ATMs, refer to the individual assessment areas under the Service Test.

Branch and ATM Distribution by Geography Income Level								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	59	5.8	138,302	4.1	3	3.2	3	3.2
Moderate	201	19.7	543,417	15.9	12	12.8	14	14.9
Middle	511	50.0	1,753,806	51.5	57	60.6	54	57.4
Upper	218	21.4	921,056	27.0	22	23.4	23	24.5
NA	32	3.1	51,179	1.5	0	0.0	0	0.0
Total	1,021	100.0	3,407,760	100.0	94	100.0	94	100.0

Source 2020 U.S. Census & Bank Data

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches have generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. The following table shows the net changes in branch locations from openings, closings, and the effects of the 2020 U.S. Census.

Net Distribution of Branch Openings/Closings							
Assessment Area	# of Branch Openings	# of Branch Closings	Income Level of Census Tract (+/-)				
			Low	Moderate	Middle	Upper	NA
Pittsburgh, PA MSA	1	10	-1	-3	-4	-1	0
PA Non-MSA	0	8	0	1	-9	0	0
Williamsport, PA MSA	0	0	0	0	-1	1	0
Altoona, PA MSA	0	1	0	1	-3	1	0
Bloomsburg-Berwick, PA MSA	0	0	0	0	0	0	0
Johnstown, PA MSA	0	1	0	0	0	-1	0
State College, PA MSA	0	1	0	1	-1	0	-1
Total	1	21	-1	0	-18	0	-1

On December 11, 2020 the bank closed 20 branches. Of those 20 branch closures, 1 was in a low-income census tract and 5 were in moderate-income census tracts. The remaining closure on March

19, 2021 was in an upper-income census tract. The bank opened one branch in an upper-income census tract. For additional information on the changes in branch locations, refer to the individual assessment areas under the Service Test.

Reasonableness of Business Hours and Services

Services and business hours do not vary in a way that inconveniences portions of the assessment area, particularly low- and moderate-income geographies and low- and moderate-income individuals. Branch hours are consistent with each location open from 9:00 A.M. to 5:00 P.M. Monday through Friday. In addition, 59 branches are open from 9:00 A.M. to 12:00 P.M. on Saturday. Finally, each branch offers the same services.

Community Development Services

FCB is a leader in providing community development services in the PA rated area during the evaluation, particularly in the Pittsburgh, PA MSA, and PA Non-MSA assessment areas. The bank provided 4,364 hours of financial expertise, technical assistance, and financial education to many community development-related organizations and low- and moderate-income individuals, often on an ongoing basis. While this is a decrease from the previous evaluation, as noted in the overall Services Test Rating, examiners recognize the impact of the COVID-19 Pandemic on the ability to conduct financial education and to provide community development services.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Pittsburgh MSA	846	1,034	659	87	2,626
PA Non-MSA	11	1,171	19	0	1,201
Williamsport MSA	5	1	0	0	6
Altoona MSA	5	13	123	0	141
Bloomsburg-Berwick MSA	0	0	15	0	15
Johnstown MSA	0	30	0	0	30
State College MSA	230	100	0	0	330
Statewide Activities	0	15	0	0	15
Total	1,097	2,364	816	87	4,364
<i>Source Bank Data</i>					

For details and examples of community development services provided in the PA rated area, please refer to the Community Development Services section under the assessment areas receiving a full-scope review.

PITTSBURGH, PA MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN PITTSBURGH, PA MSA ASSESSMENT AREA

Economic and Demographic Data

This assessment area includes Allegheny, Armstrong, Beaver, Butler, Washington, and Westmoreland Counties, which comprise a portion of the Pittsburgh, PA MSA. At the prior CRA evaluation FCB also designated Fayette County, but removed the county as there was no branch presence and limited loan activity. The bank operates 47 branches in the Pittsburgh, PA MSA assessment area, 9 less than the prior CRA evaluation. The bank’s operations in the Pittsburgh, PA MSA assessment area represent 43.2 percent of total in-assessment area lending (by number), 43.6 percent of total deposits, and 39.5 percent of total branches. There were no designated disaster areas that impacted the Pittsburgh, PA MSA assessment area.

The Pittsburgh, PA MSA assessment area includes 688 census tracts. The tracts reflect the following income designations according to 2020 U.S. Census data:

- 49 low-income tracts;
- 155 moderate-income tracts;
- 293 middle-income tracts;
- 168 upper-income tracts; and,
- 23 census tracts with no income designation.

The 2020 U.S. Census data included changes in census tract boundaries and income categories. Since the 2010 U.S. Census, total census tracts increased from 675 to 688. Furthermore, U.S. Census changes showed a decrease in low-income census tracts from 58 to 49 and an increase in moderate-income census tracts from 153 to 155.

The following table illustrates select demographic characteristics of the Pittsburgh, PA MSA assessment area.

Demographic Information of the Assessment Area						
Assessment Area: First Commonwealth Pittsburgh, PA MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	688	7.1	22.5	42.6	24.4	3.3
Population by Geography	2,242,126	5.0	18.6	43.5	32.0	0.9
Housing Units by Geography	1,065,989	5.8	21.2	44.4	28.0	0.6
Owner-Occupied Units by Geography	667,431	2.6	17.4	47.3	32.6	0.2
Occupied Rental Units by Geography	295,083	11.1	26.8	39.4	21.5	1.3
Vacant Units by Geography	103,475	11.7	30.0	40.1	17.3	0.9
Business by Geography	256,431	5.4	15.1	39	38.8	1.7
Farms by Geography	5,874	2.2	14.7	52.7	30	0.5
Family Distribution by Income Level	571,762	19.5	17.9	21.2	41.3	0
Household Distribution by Income Level	962,514	24.4	15.5	17.5	42.5	0
Median Family Income MSA - 38300 Pittsburgh, PA MSA		\$82,642	Median Housing Value			\$171,132
			Median Gross Rent			\$889
			Families Below Poverty Level			6.5%
<i>Source 2020 U.S. Census</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

There are 1,065,989 housing units. Of these, 62.6 percent are owner-occupied, 27.7 percent are occupied rental units, and 9.7 percent are vacant. The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units.

Examiners used the 2021 and 2022 FFIEC-updated MFI to analyze home mortgage loans under the Borrower Profile criterion. The following table presents the low-, moderate-, middle-, and upper-income categories.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Pittsburgh, PA MSA Median Family Income (38300)				
2021 (\$84,200)	<\$42,100	\$42,100 to <\$67,360	\$67,360 to <\$101,040	≥\$101,040
2022 (\$94,800)	<\$47,400	\$47,400 to <\$75,840	\$75,840 to <\$113,760	≥\$113,760
<i>Source FFIEC</i>				

According to 2022 D&B data, there were 256,431 businesses. The following details the GARs for these businesses.

- 87.8 percent have \$1.0 million or less.
- 3.7 percent have more than \$1.0 million.
- 8.5 percent have unknown revenues.

Service industries represent the largest portion of businesses at 38.5 percent; followed by retail trade (10.8 percent); and finance, insurance, and real estate (10.6 percent). In addition, 63.0 percent of area businesses have four or fewer employees, and 90.6 percent operate from a single location.

The following table details the unemployment data from the U.S. Bureau of Labor Statistics for the assessment area and related areas. The table presents the U. S. Bureau of Labor and Statistics data for December 2020, 2021, and 2022. Unemployment rose steeply during April 2020 and remained high through July 2020 due to the COVID-19 pandemic. For the majority of the review period unemployment rates generally trended downward.

Unemployment Rates in the Pittsburgh, PA MSA			
Area	2020	2021	2022
	%	%	%
Allegheny County, PA	7.9	4.1	3.4
Armstrong County, PA	9.1	5.4	4.5
Beaver County, PA	9.1	5.3	4.8
Butler County, PA	6.9	3.9	3.3
Washington County, PA	8.4	4.7	3.6
Westmoreland County, PA	8.1	4.5	3.7
Pennsylvania	7.9	3.8	3.8
National Average	6.7	3.9	3.5
<i>Source Bureau of Labor Statistics</i>			

Competition

The assessment area is competitive in the market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2022, there were 50 financial institutions operating 697 branches within the assessment area. Of these institutions, FCB ranked 10th with a 1.6 percent deposit market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2021, 667 lenders reported a total of 106,674 residential mortgage loans originated or purchased. FCB ranked 6th out of this group of lenders, with a market share of 3.2 percent. The three most prominent home mortgage lenders (CBNA, PNC Bank N.A., and Rocket Mortgage) accounted for 19.2 percent of total market share.

There is a moderate level of competition for small business loans. In 2021, 195 lenders reported a total of 54,589 small business loans originated or purchased. FCB ranked 10th out of this group of lenders, with a market share of 2.8 percent. The three most prominent small business lenders (PNC Bank N.A., American Express N.A., and JPMorgan Chase Bank N.A.) accounted for 40.9 percent of total market share.

CONCLUSIONS ON PERFORMANCE CRITERIA IN PITTSBURGH, PA MSA ASSESSMENT AREA

FCB demonstrated good performance under the Lending Test. The Lending Activity, Geographic Distribution, Borrower Profile, and Community Development Lending performance supports this conclusion.

Lending Activity

The bank's lending levels reflect good responsiveness to the Pittsburgh, PA MSA assessment area credit needs. During the review period, the bank originated 13,540 home mortgage, small business, and small farm loans totaling approximately \$1.7 billion inside the assessment area. This total includes 9,084 home mortgage loans totaling approximately \$1.3 billion, 4,443 small business loans totaling approximately \$402.5 million and 13 small farm loans totaling approximately \$326,000. During the review period, the bank's home mortgage and small farm lending activity remained stable.

In 2020 small business lending in the form of PPP loans drastically increased, but has since declined. The bank was an active participating lender for the PPP program in 2020 and 2021, originating 3,585 loans totaling approximately \$352.8 million in the Pittsburgh, PA MSA assessment area. This represents 52.5 percent by number and 51.9 percent by dollar volume for all PPP loans originated within the combined assessment area.

Geographic Distribution

The geographic distribution of loans reflects good penetration throughout the assessment area. The bank's good performance for home mortgage and small business lending supports this conclusion. Examiners focused on the percentage by number of loans in the low- and moderate-income census tracts.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects good penetration throughout the assessment area. Examiner's compared the bank's home mortgage lending to demographic and aggregate lending data.

As shown in the following table, the geographic distribution of home mortgage loans in low-income census tracts exceeded aggregate lending data in 2021, but was below demographic data. In 2022, the bank's level of lending activity decreased in low-income census tracts and remained below demographic data. The geographic distribution of home mortgage loans in moderate-income census tracts exceeded aggregate lending data in 2021, but was below demographic data. The bank's level of lending activity in moderate-income census tracts increased in 2022 and is similar to demographic data, which also increased. The bank's overall market share is 3.2 percent; however, FCB's market share to low-income census tracts is 4.9 percent and to moderate-income census tracts is 3.8 percent. This further supports the good rating.

Geographic Distribution of Home Mortgage Loans						
Assessment Area: First Commonwealth Pittsburgh, PA MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	2.7	1.3	70	2.1	7,266	1.5
2022	2.6	--	43	1.6	4,549	1.2
Moderate						
2021	15.3	11.2	448	13.2	43,821	9.0
2022	17.4	--	460	17.5	55,677	15.0
Middle						
2021	52.0	47.4	1,847	54.4	220,825	45.5
2022	47.3	--	1,275	48.5	134,276	36.1
Upper						
2021	30.0	40.1	1,030	30.3	213,226	43.9
2022	32.6	--	845	32.1	137,311	37.0
Not Available						
2021	0.0	0.0	2	0.1	617	0.1
2022	0.2	--	6	0.2	39,705	10.7
Totals						
2021	100.0	100.0	3,397	100.0	485,755	100.0
2022	100.0	--	2,629	100.0	371,518	100.0
<i>Source 2015 ACS & 2020 U.S. Census; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

The geographic distribution of small business loans reflects good penetration throughout the assessment area. Examiners compared the bank's small business lending to demographic and aggregate lending data.

As shown in the following table, the geographic distribution of small business loans in low-income census tracts exceeded aggregate lending data and was similar to demographic data in 2021. The bank's percentage of lending in low-income census tracts increased in 2022 and exceeds demographics. The geographic distribution of small business loans in moderate-income census tracts also exceeded aggregate lending data and was similar to demographic data in 2021. In addition, the bank's percentage of lending in moderate-income census tracts increased in 2022 and was above demographic data.

Geographic Distribution of Small Business Loans							
Assessment Area: First Commonwealth Pittsburgh, PA MSA							
Tract Income Level		% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low							
	2021	4.9	3.7	68	4.5	6,396	4.7
	2022	5.4	--	23	6.9	2,968	5.1
Moderate							
	2021	14.8	13.3	226	15.0	18,319	13.4
	2022	15.1	--	65	19.5	7,323	12.6
Middle							
	2021	41.8	40.3	764	50.8	65,457	47.8
	2022	39.0	--	159	47.6	31,239	53.9
Upper							
	2021	37.6	34.6	444	29.5	46,674	34.1
	2022	38.8	--	84	25.2	15,195	26.2
Not Available							
	2021	0.9	8.1	1	0.1	21	0.0
	2022	1.7	--	3	0.9	1,191	2.1
Totals							
	2021	100.0	100.0	1,503	100.0	136,867	100.0
	2022	100.0	--	334	100.0	57,916	100.0
<i>Source 2021 & 2022 D&B Data; Bank Data; 2021 CRA Aggregate Data, "--" data not available.</i>							
<i>Due to rounding, totals may not equal 100.0%</i>							

Borrower Profile

The distribution of borrowers reflects good penetration among individuals of different income levels and businesses of different sizes in the assessment area. The bank's good performance of home mortgage and small business lending supports this conclusion. Examiners focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers. Examiners also focused on the percentage by number of small business loans to businesses with GARs of \$1.0 million or less.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers is good. Examiners compared the bank's home mortgage lending to demographic and aggregate lending data.

As shown in the following table, the distribution of home mortgage loans to low-income borrowers exceeds aggregate lending data in 2021. In 2022, the bank's percentage of lending to low-income borrowers increased. Although the bank's percentage of lending is below demographic data, a low-income family in the assessment area, with an income less than \$47,400, would likely not qualify for a mortgage under conventional underwriting standards, especially considering the median housing value of \$171,132. In 2021, the distribution of home mortgage loans to moderate-income

borrowers exceeds demographic and aggregate lending data. Furthermore, the bank’s percentage of 2022 lending to moderate-income borrowers is consistent with the 2021 percentage and remains above demographics. The bank’s overall market share is 3.2 percent; however, FCB’s market share to low-income borrowers is 4.7 percent and to moderate-income borrowers is 3.7 percent. This further supports the good rating.

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: First Commonwealth Pittsburgh, PA MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	20.5	8.6	431	12.7	29,742	6.1
2022	19.5	--	431	16.4	27,132	7.3
Moderate						
2021	17.3	17.7	694	20.4	64,790	13.3
2022	17.9	--	548	20.8	50,228	13.5
Middle						
2021	20.5	21.1	773	22.8	93,446	19.2
2022	21.2	--	564	21.5	58,134	15.6
Upper						
2021	41.7	37.5	1,314	38.7	246,340	50.7
2022	41.3	--	952	36.2	164,446	44.3
Not Available						
2021	0.0	15.1	185	5.4	51,437	10.6
2022	0.0	--	134	5.1	71,578	19.3
Totals						
2021	100.0	100.0	3,397	100.0	485,755	100.0
2022	100.0	--	2,629	100.0	371,518	100.0
<i>Source 2015 ACS & 2020 U.S. Census; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

The distribution of small business loans reflects good penetration of loans to businesses with GARs less than or equal to \$1.0 million. Examiners compared the bank’s small business lending to demographic and aggregate lending data.

As shown in the following table, in 2021 the bank’s performance of lending to businesses with GARs less than or equal to \$1.0 million exceeds aggregate lending data; however, the bank’s performance is below demographics. The bank’s percentage of lending to businesses with GARs less than or equal to \$1.0 million remains consistent in 2022.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Assessment Area: First Commonwealth Pittsburgh, PA MSA						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2021	86.2	48.1	980	65.2	48,603	35.5
2022	87.8		212	63.5	27,411	47.3
>\$1,000,000						
2021	4.4	--	442	29.4	82,067	60.0
2022	3.7	--	121	36.2	30,443	52.6
Revenue Not Available						
2021	9.4	--	81	5.4	6,197	4.5
2022	8.5	--	1	0.3	62	0.1
Totals						
2021	100.0	100.0	1,503	100.0	136,867	100.0
2022	100.0	--	334	100.0	57,916	100.0
<i>Source 2021 & 2022 D&B Data; Bank Data; 2021 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Innovative or Flexible Lending Practices

FCB makes extensive use of innovative and flexible lending practices to address the credit needs of low- and moderate-income individuals and geographies throughout the assessment area. The CARL program is specific to the Pittsburgh, PA MSA assessment area.

Community Development Loans

FCB is a leader in making community development loans in the Pittsburgh, PA MSA assessment area. During the review period, FCB originated 91 community development loans totaling \$60.8 million. The number and dollar volume of community development loans has increased since the previous evaluation and for a similar timeframe. FCB's prior evaluation included 47 community development loans totaling approximately \$47.3 million. Examiners noted a comparable bank rated a leader that made 61 community development loans totaling \$128.8 million in the Pittsburgh, PA MSA assessment area. The following table illustrates the bank's community development lending activity in the Pittsburgh, PA MSA assessment area by activity year and by community development purpose.

Community Development Lending in the Pittsburgh, PA MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
3/23/2020 – 12/31/2020	15	9,256	29	9,582	0	0	1	1,750	45	20,588
2021	21	9,008	7	2,700	0	0	2	13,484	30	25,192
2022	15	14,008	1	1,000	0	0	0	0	16	15,008
1/1/2023 – 3/23/2023	0	0	0	0	0	0	0	0	0	0
Total	51	32,272	37	13,282	0	0	3	15,234	91	60,788
<i>Source Bank Data</i>										

The following originations are a sample of community development loans made to organizations and corporations that benefit the Pittsburgh, PA MSA assessment area.

- In February 2021, FCB originated a \$2.0 million construction loan to an area volunteer fire company, which operates in a 105 square mile area covering rural and suburban districts, to include four moderate-income census tract areas. The purpose of the loan is to expand the station to add capacity of more engines, equipment, and personnel.
- In September 2020, the bank originated a loan for \$1.0 million to a HUD-supported affordable housing complex for the construction and rehabilitation of 50 low-income housing units located in a moderate-income census tract in Pittsburgh, PA.
- In March and April of 2020, the bank originated two loans to a local non-profit broad service provider totaling \$5.5 million for the construction and expansion of their community health treatment centers and emergency housing program. The organization focuses their vital services across the greater Pittsburgh metro area and primarily serves low- and moderate-income individuals with community outreach efforts. The Allegheny County Department of Human Services and Community Care Behavioral Health co-sponsor these activities.

INVESTMENT TEST

FCB demonstrated good performance under the Investment Test. The following sections discuss the bank’s performance under each criterion.

Investment and Grant Activity

FCB has a significant level of qualified community development investments and donations in the Pittsburgh, PA MSA assessment area. FCB made 37 qualified investments and 171 donations totaling \$15.3 million that specifically benefit the Pittsburgh, PA MSA assessment area. FCB made 18 new equity investments totaling \$5.3 million and maintains 19 equity investments totaling \$7.5 million. FCB’s performance is a decrease from the prior evaluation which included 48 qualified investments and 66 donations totaling \$20.3 million. The following table illustrates the bank’s qualified investments by community development purpose.

Qualified Investments in the Pittsburgh, PA MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	18	7,004	0	0	0	0	1	500	19	7,504
3/23/2020 – 12/31/2020	2	100	0	0	3	400	0	0	5	500
2021	2	100	0	0	5	2,354	0	0	7	2,454
2022	3	150	0	0	3	2,150	0	0	6	2,300
1/1/2023 – 3/22/2023	0	0	0	0	0	0	0	0	0	0
Subtotal	25	7,354	0	0	11	4,904	1	500	37	12,758
Qualified Grants & Donations	18	82	136	503	35	2,002	0	0	189	2,587
Total	43	7,436	136	503	46	6,906	1	500	226	15,345

Source Bank Data

The table includes the following investments discussed previously: prior MBSs totaling \$7.0 million, KIZ tax credits totaling \$1.1 million, and EZP tax credits totaling \$470,000. The following are additional notable examples of the bank’s qualified investments and donations.

Prior Period Investments

- The bank maintains a \$1.0 investment in the Progress Fund, with an unfunded capital commitment of \$4.0 million (\$5 million total), a non-profit community development financial institution which provides financing to small and startup businesses in southwestern and southcentral PA.
- The bank maintains a \$500,000 investment in the Power of 32 Site Development Fund, a private investment fund established through the Allegheny Conference on Community Development and the Strategic Investment Fund. Proceeds of the fund invest capital in regional projects to redevelop struggling neighborhoods and foster economic growth, with a preference for redeveloping brownfield sites or land in underserved communities.

New Investments

- In 2021, the bank made a capital investment via the SBIC Tecum Capital Partners to provide \$1.1 million to various businesses throughout the Pittsburgh, PA MSA. The capital investment provides area businesses with opportunities to expand or improve operations while adding or retaining employment opportunities. Many of these businesses reside within low- and moderate-income areas providing quality employment growth in manufacturing and other industries, which adds value to overall incomes in these areas.
- In 2020, FCB made a \$250,000 capital investment in the Community Growth Fund, managed by the Pittsburgh Community Reinvestment Group. This fund serves 10 counties in western PA surrounding Pittsburgh and all of West Virginia, specifically targeting low- and moderate-income areas. The program aims to provide funding for acquisition and rehabilitation projects, co-operative vehicle use programs for low-income persons needing reliable transportation that do not have access to public transport, and site development funding to create affordable housing.

- FCB continued its support of the Pittsburgh Community Reinvestment Group throughout the evaluation period by making an annual investment of \$50,000 for each year, totaling \$150,000. These investments qualify for the Neighborhood Assistance Program, a tax-deductible program designated by the Commonwealth of PA, which must serve distressed areas or support neighborhood conservation. Projects must fall under one of the following categories: affordable housing programs, community services, crime prevention, education, job training, or neighborhood assistance.

Responsiveness to Credit and Community Development Needs

FCB exhibits adequate responsiveness to credit and community economic development needs throughout the Pittsburgh, PA MSA assessment area. Management directed the majority of the bank’s investments and grants, by number and dollar amount, to affordable housing, previously noted as one of the primary needs of the community.

Community Development Initiatives

The bank occasionally uses innovative and/or complex investments to support community development initiatives. FCB’s investments primarily include MBSs and various tax credit programs.

SERVICE TEST

FCB demonstrated good performance under the Service Test. The following sections discuss the bank’s performance under each criterion.

Accessibility of Delivery Systems

The bank’s delivery systems are reasonably accessible to essentially all portions of the institution’s assessment area. FCB serves the Pittsburgh, PA MSA assessment area with 47 branches and 48 full-service ATMs. The following table details the bank’s branching and ATM distribution.

Branch and ATM Distribution by Geography Income Level in the Pittsburgh, PA MSA								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	49	7.1	113,107	5.0	2	4.2	2	4.1
Moderate	155	22.5	415,958	18.6	6	12.8	8	16.7
Middle	293	42.6	975,752	43.5	24	51.1	23	47.9
Upper	168	24.4	717,198	32.0	15	31.9	15	31.3
NA	23	3.4	20,111	0.9	0	0.0	0	0.0
Total	688	100.0	2,242,126	100.0	47	100.0	48	100.0
<i>Source 2020 U.S. Census & Bank Data</i>								

As shown in the table above, the bank has two branches (4.2 percent) in low-income census tracts and six branches (12.8 percent) in moderate-income census tracts, both of which are below the census tract and population distribution. The branch distribution and alternative delivery systems for the Pittsburgh, PA MSA assessment area are consistent with the institution overall. Alternative

banking services such as ATMs, telephone banking, online banking, and mobile banking are available to increase accessibility of retail banking services.

Changes in Branch Locations

To the extent changes have been made, the institution’s opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. The following table shows the net changes in branch locations from openings, closings, and the effects of the 2020 U.S. Census.

Net Distribution of Branch Openings/Closings							
Assessment Area	# of Branch Openings	# of Branch Closings	Income Level of Census Tract (+/-)				
			Low	Moderate	Middle	Upper	NA
Pittsburgh, PA MSA	1	10	-1	-3	-4	-1	0
Total	1	10	-1	-3	-4	-1	0

FCB opened one branch at 12449 Perry Highway, Wexford PA in an upper-income census tract. As the following details, the bank closed ten branches within the Pittsburgh, PA MSA assessment area during the review period.

Branch Closings in the Pittsburgh, PA MSA				
Branch Name	Address	City	CT Income Level	Date Closed
McKeesport	225 Fifth Avenue	McKeesport	Low	12/11/2020
Leechburg	152 Market Street	Leechburg	Moderate	12/11/2020
Parks Drive-Up	200 Market Street	Leechburg	Moderate	12/11/2020
Lawrenceville	5200 Butler Street	Pittsburgh	Moderate	12/11/2020
Tarentum	331 East Sixth Street	Tarentum	Moderate	12/11/2020
Squirrel Hill	5847 Forbes Avenue	Pittsburgh	Upper	12/11/2020
Southside Works	2501 East Carson Street	Pittsburgh	Upper	3/19/2021
Sarver	105 Capitol Park Drive	Sarver	Upper	12/11/2020
Trinity Point	10 Trinity Place	Washington	Upper	12/11/2020
Wexford	1001 Village Run Road	Wexford	Upper	12/11/2020
<i>Source Bank Data</i>				

Bank management closed the branches because they noted a substantial shift in how customers choose to bank. Customers are doing significantly fewer in-branch transactions and are conducting more digital, mobile, or online transactions. In addition, bank management estimated the impact on low-and moderate-income individuals would be minimal, considering the accessibility of alternative delivery systems, the close proximity of other FCB locations, and the close proximity of other financial institution branches.

Reasonableness of Business Hours and Services

Services and business hours do not vary in a way that inconveniences portions of the assessment area, particularly low- and moderate-income geographies and low- and moderate-income

individuals. Branch hours are consistent at each location with hours from 9:00 A.M. to 5:00 P.M. Monday through Friday and 9:00 A.M. to 12:00 P.M. on Saturday. The bank operates two low-income branch locations and both offer Saturday hours. The bank operates six moderate-income branch locations and three offer Saturday hours.

Community Development Services

The bank is a leader in providing community development services in the Pittsburgh, PA MSA assessment area during the evaluation period. The bank provided 2,626 hours of service through financial expertise, technical assistance, and financial education to many community development-related organizations and low- and moderate-income individuals. While this is a significant decrease from the 4,683 hours during the previous evaluation period, the bank exceeds the levels of community development services of similarly situated banks. Additionally, examiners recognize the impact of the COVID-19 pandemic on many financial institutions’ and community development organizations’ ability to operate or provide services at the level of the previous evaluation. The following table shows the breakdown of community development service hours by year.

Community Development Services in the Pittsburgh, PA MSA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
3/23/2020 – 12/31/2020	393	289	180	33	895
2021	326	350	176	26	878
2022	108	374	240	28	750
1/1/2023 – 3/22/2023	19	21	63	0	103
Total	846	1,034	659	87	2,626
<i>Source Bank Data</i>					

The following are notable examples of the bank’s community development services:

- During the review period the bank provided more than 160 hours of financial education targeted to low- and moderate-income individuals through local organizations, schools, public libraries, and small business advocates.
- During the review period one employee served on the Board of Directors for a local small business association whose goal is to connect small businesses to promote economic revitalization and to create a strong unified voice for small businesses to communicate the needs of local small businesses to city and borough officials and government agencies.
- One employee served on the Board of Directors for a local organization responsible for providing financial assistance to low- and moderate-income individuals through utility assistance, disaster relief, funeral assistance, and financial support to area food banks.

PA NON-MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN PA NON-MSA ASSESSMENT AREA

Economic and Demographic Data

This assessment area consists of Bedford, Clearfield, Clinton, Elk, Indiana, Jefferson, Lawrence, Northumberland, Somerset, and Union Counties in their entirety. These counties are not part of an MSA and; therefore, examiners designated this area as the PA Non-MSA assessment area. The bank operates 28 branches in the PA Non-MSA assessment area, which is 8 less than the prior CRA evaluation. The bank’s operations in the PA Non-MSA assessment area represent 15.2 percent of total in-assessment area lending (by number), 21.4 percent of total deposits, and 23.5 percent of total branches.

A disaster declaration (DR-4618) related to flooding from Hurricane Ida affected Bedford County, PA in September of 2021. Examiners considered activities that revitalized or stabilized the designated disaster area for 36 months following the disaster designation. In addition, during portions of the review period two PA counties contained underserved or distressed middle-income nonmetropolitan census tracts. In 2020, there were 19 distressed census tracts in Northumberland County due to unemployment. While in 2021, there were eight distressed census tracts in Elk County due to unemployment.

The PA Non-MSA assessment area includes 176 census tracts. The tracts reflect the following income designations according to 2020 U.S. Census data:

- 5 low-income tracts;
- 21 moderate-income tracts;
- 126 middle-income tracts;
- 20 upper-income tracts; and,
- 4 census tracts with no income designation.

The 2020 U.S. Census data included changes in census tract boundaries and income categories. Since the 2010 U.S. Census, total census tracts increased from 168 to 176. Furthermore, U.S. Census changes showed an increase in low-income census tracts from 4 to 5 and an increase in moderate-income census tracts from 13 to 21.

The following table illustrates select demographic characteristics of the PA Non-MSA assessment area.

Demographic Information of the Assessment Area						
Assessment Area: First Commonwealth PA Non-MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	176	2.8	11.9	71.6	11.4	2.3
Population by Geography	618,844	1.3	9.6	73.1	14.3	1.7
Housing Units by Geography	305,310	1.4	11.2	73.9	13.0	0.5
Owner-Occupied Units by Geography	189,140	0.6	8.5	76.0	14.7	0.1
Occupied Rental Units by Geography	64,650	3.8	15.8	68.8	10.0	1.6
Vacant Units by Geography	51,520	1.2	15.0	72.7	10.3	0.8
Businesses by Geography	50,283	2.4	10.0	71.5	15.1	0.9
Farms by Geography	2,541	0.4	4.3	82.0	13.3	0.0
Family Distribution by Income Level	163,119	19.1	19.3	21.7	39.8	0.0
Household Distribution by Income Level	253,790	24.3	16.9	17.9	40.9	0.0
Median Family Income Non-MSAs - PA		\$65,202	Median Housing Value			\$121,452
			Median Gross Rent			\$696
			Families Below Poverty Level			8.5%
<i>Source 2020 U.S. Census and 2022 D&B Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

There are 305,310 housing units. Of these, 62.0 percent are owner-occupied, 21.2 percent are occupied rental units, and 16.8 percent are vacant. The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. There are 0.1 percent of owner-occupied housing units in the census tracts without an income designation.

Examiners used the 2021 and 2022 FFIEC-updated MFI to analyze home mortgage loans under the Borrower Profile criterion. The following table presents the low-, moderate-, middle-, and upper-income categories.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
PA Non-MSA Median Family Income (99999)				
2020 (\$64,900)	<\$32,450	\$32,450 to <\$51,920	\$51,920 to <\$77,880	≥\$77,880
2021 (\$65,100)	<\$32,550	\$32,550 to <\$52,080	\$52,080 to <\$78,120	≥\$78,120
<i>Source FFIEC</i>				

According to 2022 D&B data, there were 50,283 businesses. The following are the GARs for these businesses.

- 85.8 percent have \$1.0 million or less.
- 4.0 percent have more than \$1.0 million.
- 10.2 percent have unknown revenues.

Service industries represent the largest portion of businesses at 35.9 percent, followed by non-classifiable establishments (16.2 percent), and retail trade (12.8 percent). In addition, 65.7 percent of area businesses have four or fewer employees, and 90.5 percent operate from a single location.

The following table details the unemployment data from the U.S. Bureau of Labor Statistics for the assessment area and related areas. The table presents U. S. Bureau of Labor and Statistics data for December 2020, 2021, and 2022. Unemployment rose steeply during April 2020 and remained high through July 2020 due to the COVID-19 pandemic. Elk County’s unemployment rate was 26.1 percent in April 2020 and remained above 10.0 percent through September 2020. Union County’s unemployment rate has been below three percent since September 2022. For the majority of the review period unemployment rates generally trended downward;

Unemployment Rates in PA Non-MSA			
Area	2020	2021	2022
	%	%	%
Bedford County, PA	7.8	4.5	4.3
Clearfield County, PA	8.5	5.5	4.9
Clinton County, PA	8.6	5.4	4.6
Elk County, PA	8.7	5.1	3.8
Indiana County, PA	8.2	5.1	4.3
Jefferson County, PA	8.1	4.8	4.2
Lawrence County, PA	9.8	5.8	4.8
Northumberland County, PA	8.5	5.2	4.3
Somerset County, PA	8.8	5.3	4.9
Union County, PA	6.1	3.4	2.8
Pennsylvania	7.9	3.8	3.8
National Average	6.7	3.9	3.5
<i>Source Bureau of Labor Statistics</i>			

Competition

The assessment area is competitive in the market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2022, there were 39 financial institutions operating 202 branches within the assessment area. Of these institutions, FCB ranked 2nd with an 11.8 percent deposit market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2021, 419 lenders reported a total of 18,610 residential mortgage loans originated or purchased. FCB ranked 1st out of this group of lenders, with a market share of

9.5 percent. Rocket Mortgage and S&T Bank accounted for an additional 13.3 percent of total market share.

There is a moderate level of competition for small business loans. In 2021, 115 lenders reported a total of 11,366 small business loans originated or purchased. FCB ranked 7th out of this group of lenders, with a market share of 5.4 percent. The three most prominent small business lenders (American Express National Bank, Synchrony Bank, and Somerset Trust Company) accounted for 40.8 percent of total market share.

CONCLUSIONS ON PERFORMANCE CRITERIA IN PA NON-MSA ASSESSMENT AREA

FCB demonstrated good performance under the Lending Test. The Lending Activity, Geographic Distribution, Borrower Profile, and Community Development Lending performance supports this conclusion.

Lending Activity

The bank's lending levels reflect good responsiveness to the PA Non-MSA assessment area credit needs. During the review period, the bank originated 6,655 home mortgage, small business, and small farm loans totaling approximately \$602.4 million inside the assessment area. This total includes 4,792 home mortgage loans totaling approximately \$435.5 million, 1,842 small business loans totaling approximately \$165.9 million, and 21 small farm loans totaling approximately \$963,000. During the review period, the bank's lending activity of home mortgage and small farm loans remained stable.

In 2020 small business lending in the form of PPP loans drastically increased, but has since declined. The bank was an active participating lender for the PPP program in 2020 and 2021, originating 1,383 loans totaling \$141.5 million in the PA Non-MSA assessment area. This represents 20.3 percent by number and 20.8 percent by dollar volume for all PPP loans in each year made within the combined assessment area.

Geographic Distribution

The geographic distribution of loans reflects good penetration throughout the assessment area. The bank's good performance for home mortgage and small business lending supports this conclusion. Examiners focused on the percentage by number of loans in the low- and moderate-income census tracts.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects good penetration throughout the assessment area. Examiner's compared the bank's home mortgage lending to demographic and aggregate lending data.

As shown in the following table, the geographic distribution of home mortgage loans in low-income census tracts was similar to aggregate lending data in 2021, but was below demographic data. In 2022, the bank's level of lending activity increased in low-income census tracts and was similar to demographic data. The geographic distribution of home mortgage loans in moderate-income census tracts was also similar to aggregate lending data in 2021, but was below demographic data. The bank's level of lending activity in moderate-income census tracts increased in 2022, but remained below demographic data.

Geographic Distribution of Home Mortgage Loans							
Assessment Area: First Commonwealth PA Non-MSA							
Tract Income Level		% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low							
	2021	0.6	0.3	4	0.2	314	0.2
	2022	0.6	--	11	0.8	349	0.3
Moderate							
	2021	5.1	4.0	81	4.6	4,802	2.9
	2022	8.5	--	94	6.5	6,401	5.0
Middle							
	2021	87.6	86.1	1,485	84.2	138,941	84.6
	2022	76.0	--	1,166	80.1	99,143	77.3
Upper							
	2021	6.8	9.7	193	10.9	20,177	12.3
	2022	14.7	--	184	12.6	22,248	17.3
Not Available							
	2021	0.0	0.0	0	0.0	0	0.0
	2022	0.1	--	1	0.1	144	0.1
Totals							
	2021	100.0	100.0	1,763	100.0	164,234	100.0
	2022	100.0	--	1,456	100.0	128,285	100.0
<i>Source 2015 ACS & 2020 U.S. Census; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>							

Small Business Loans

The geographic distribution of small business loans reflects good penetration throughout the assessment area. Examiners compared the bank’s small business lending to demographic and aggregate lending data.

As shown in the following table, the geographic distribution of small business loans in low-income census tracts exceeded aggregate lending and demographic data in 2021. The bank’s percentage of lending activity in low-income census tracts was similar in 2022 and exceeded demographics. The geographic distribution of small business loans in moderate-income census tracts was below aggregate lending and demographic data in 2021. In addition, the bank’s percentage of lending in moderate-income census tracts was similar in 2022 and remained below demographics.

Geographic Distribution of Small Business Loans						
Assessment Area: First Commonwealth PA Non-MSA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	2.2	2.1	28	4.7	2,025	3.5
2022	2.4	--	8	4.8	747	3.3
Moderate						
2021	6.3	5.3	26	4.3	1,636	2.8
2022	10.0	--	7	4.2	824	3.6
Middle						
2021	82.7	84.1	479	79.6	48,128	83.0
2022	71.5	--	133	79.2	17,775	77.7
Upper						
2021	8.5	8.4	66	11.0	6,123	10.6
2022	15.1	--	17	10.1	2,043	8.9
Not Available						
2021	0.3	0.1	3	0.5	83	0.1
2022	0.9	--	3	1.8	1,497	6.5
Totals						
2021	100.0	100.0	602	100.0	57,995	100.0
2022	100.0	--	168	100.0	22,886	100.0
<i>Source 2021 & 2022 D&B Data; Bank Data; 2021 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Borrower Profile

The distribution of borrowers reflects good penetration among individuals of different income levels and businesses of different sizes in the assessment area. The bank's good performance of home mortgage and small business lending supports this conclusion. Examiners focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers. Examiners also focused on the percentage by number of small business loans to businesses with GARs of \$1.0 million or less.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers is good. Examiners compared the bank's home mortgage lending to demographic and aggregate lending data.

As shown in the following table, the distribution of home mortgage loans to low-income borrowers exceeds aggregate lending data in 2021. In 2022, the bank's level of lending activity to low-income borrowers significantly increased. Although the bank's level of lending activity is below the demographics, a low-income family in the assessment area, with an income less than \$65,202, would not likely qualify for a mortgage under conventional underwriting standards, especially considering the median housing value of \$121,452. In 2021, the distribution of home mortgage

loans to moderate-income borrowers exceeds demographic and aggregate lending data. Furthermore, the bank’s percentage of 2022 lending to moderate-income borrowers is consistent with 2021 levels and remains above demographics. FCB’s overall market share is 9.1 percent; however, their market share to low-income borrowers is 11.7 percent and to moderate-income borrowers is 11.1 percent. This further supports the good rating.

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: First Commonwealth PA Non-MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	19.5	6.9	149	8.5	7,846	4.8
2022	19.1	--	188	12.9	9,741	7.6
Moderate						
2021	18.6	18.7	386	21.9	27,124	16.5
2022	19.3	--	321	22.0	22,272	17.4
Middle						
2021	22.3	21.8	419	23.8	37,666	22.9
2022	21.7	--	354	24.3	28,679	22.4
Upper						
2021	39.6	38.0	742	42.1	82,763	50.4
2022	39.8	--	531	36.5	61,685	48.1
Not Available						
2021	0.0	14.7	67	3.8	8,835	5.4
2022	0.0	--	62	4.3	5,908	4.6
Totals						
2021	100.0	100.0	1,763	100.0	164,234	100.0
2022	100.0	--	1,456	100.0	128,285	100.0
<i>Source 2015 ACS & 2020 U.S. Census; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

The distribution of small business loans reflects good penetration of loans to businesses with GARs less than or equal to \$1.0 million. Examiners compared the bank’s small business lending to demographic and aggregate lending data.

As shown in the following table, the bank’s performance of lending to businesses with GARs less than or equal to \$1.0 million significantly exceeds aggregate lending data; however, the bank’s performance is below demographics. The bank’s level of lending activity to businesses with GARs less than or equal to \$1.0 million slightly decreased in 2022.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Assessment Area: First Commonwealth PA Non-MSA						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2021	84.2	50.6	385	64.0	17,428	30.1
2022	85.8	--	103	61.3	10,505	45.9
>\$1,000,000						
2021	4.7	--	184	30.6	35,977	62.0
2022	4.1	--	62	36.9	12,299	53.7
Revenue Not Available						
2021	11.1	--	33	5.5	4,590	7.9
2022	10.2	--	3	1.8	82	0.4
Totals						
2021	100.0	100.0	602	100.0	57,995	100.0
2022	100.0	--	168	100.0	22,886	100.0
<i>Source 2021 & 2022 D&B Data; Bank Data; 2021 CRA Aggregate Data; "--" data not available.</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						

Innovative or Flexible Lending Practices

FCB makes extensive use of innovative and flexible lending practices to address the credit needs of low- and moderate-income individuals and geographies throughout the assessment area.

Community Development Loans

FCB has made a relatively high level of community development loans in the PA Non-MSA assessment area. During the review period, FCB originated 22 community development loans totaling \$5.8 million. The number and dollar volume of community development loans has increased since the previous evaluation for a similar period of time. Specifically, FCB's prior evaluation included 11 community development loans totaling approximately \$3.6 million. The following table illustrates the bank's community development lending activity in the PA Non-MSA, assessment area by activity year and by community development purpose.

Community Development Lending in PA Non-MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
3/23/2020 – 12/31/2020	3	513	6	1,767	0	0	1	641	10	2,921
2021	5	999	2	27	1	1,600	0	0	8	2,626
2022	2	219	1	4	0	0	0	0	3	223
1/1/2023 – 3/22/2023	0	0	1	10	0	0	0	0	1	10
Total	10	1,731	10	1,808	1	1,600	1	641	22	5,780
<i>Source Bank Data</i>										

The following are a sample of community development loans made to organizations and corporations that benefit the PA Non-MSA assessment area.

- In July 2021, the bank originated a \$1.6 million loan to a sole proprietorship using SBA term financing to expand operations with a new facility and increased output in its powdered metal production. The business location is within a designated distressed middle-income area due to unemployment and this business intends to hire three additional full time employees. The North Central PA Regional Planning and Development Commission, a certified economic development organization, committed to a \$400,000 pay down of the loan principal once the new facility is complete. Additional funding also comes from the PA Industrial Development Authority.
- In September 2021, the bank originated a \$270,000 loan to a local affordable housing authority for the purposes of rehabilitating critical infrastructure at a senior housing complex. The 50-unit development has an outmoded elevator causing a safety issue for the better part of a vulnerable community. This development remains the only subsidized affordable housing complex in all of Indiana County.

INVESTMENT TEST

FCB demonstrated adequate performance under the Investment Test. The sections below discuss the bank's performance under each criterion.

Investment and Grant Activity

FCB has an adequate level of qualified community development investments and donations in the PA Non-MSA assessment area. FCB made 8 qualified investments and 110 donations totaling \$577,000 that specifically benefit the PA Non-MSA assessment area. FCB made two new equity investments totaling \$75,000, maintains six equity investments totaling \$112,000, and provided 110 donations totaling \$391,000. FCB's performance increased from the prior evaluation which included 2 qualified investments and 4 donations totaling \$362,672. The following table illustrates the bank's qualified investments by community development purpose.

Qualified Investments in PA Non-MSA										
Activity Year	Affordable Housing`		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	6	112	0	0	0	0	0	0	6	112
3/23/2020 – 12/31/2020	0	0	1	25	0	0	0	0	1	25
2021	0	0	0	0	0	0	0	0	0	0
2022	0	0	1	50	0	0	0	0	1	50
1/1/2023 – 3/22/2023	0	0	0	0	0	0	0	0	0	0
Subtotal	6	112	2	75	0	0	0	0	8	187
Qualified Grants & Donations	2	3	108	388	0	0	0	0	110	391
Total	8	115	110	463	0	0	0	0	118	578
<i>Source Bank Data</i>										

One notable investment example by FCB is its support of the Indiana County Community Action program (ICCAP) by making an investment of \$50,000 in 2022. This investment qualifies for the Neighborhood Assistance Program, as detailed previously. ICCAP operates 17 food pantries, a specific senior citizen nutrition assistance program, and can provide emergency sustenance provisions on demand. ICCAP also operates housing support programs to keep current homeowners in danger of losing shelter in their homes, along with emergency housing and rental assistance programs. Additionally, ICCAP has services in support of children’s education, energy assistance, and transportation assistance, among other vital services.

Responsiveness to Credit and Community Development Needs

FCB exhibits adequate responsiveness to credit and community economic development needs throughout the PA Non-MSA assessment area. Management directed the majority of the bank’s investments and grants, by number and dollar amount, to community services.

Community Development Initiatives

The bank occasionally uses innovative and/or complex investments to support community development initiatives. FCB’s investments primarily include MBSs and various tax credit programs.

SERVICE TEST

FCB demonstrated good performance under the Service Test. The following sections discuss the bank’s performance under each criterion.

Accessibility of Delivery Systems

The bank’s delivery systems are accessible to essentially all portions of the institution’s assessment area. FCB serves the PA Non-MSA assessment area with 28 branches and 27 full-service ATMs. The following table details the bank’s branching and ATM distribution.

Branch and ATM Distribution by Geography Income Level in PA Non-MSA								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	5	2.8	8,055	1.3	1	3.6	1	3.7
Moderate	21	11.9	59,536	9.6	3	10.7	3	11.1
Middle	126	71.6	452,608	73.1	20	71.4	19	70.4
Upper	20	11.4	88,240	14.3	4	14.3	4	14.8
NA	4	2.3	10,405	1.7	0	0.0	0	0.0
Total	176	100.0	618,844	100.0	28	100.0	27	100.0

Source 2020 U.S. Census & Bank Data

As shown in the table above, the bank has one branch (3.6 percent) in a low-income census tract and three branches (10.7 percent) in a moderate-income census tract, both exceed the population distribution and are comparable to the census tract distribution. The branch distribution and alternative delivery systems for the PA Non-MSA assessment area are above the institution's overall performance. Alternative banking services such as ATMs, telephone banking, online banking, and mobile banking are available to increase accessibility of retail banking services.

Changes in Branch Locations

To the extent changes have been made, the institution's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. The following table shows the net changes in branch locations from openings, closings, and the effects of the 2020 U.S. Census.

Net Distribution of Branch Openings/Closings							
Assessment Area	# of Branch Openings	# of Branch Closings	Income Level of Census Tract (+/-)				
			Low	Moderate	Middle	Upper	NA
PA Non-MSA	0	8	0	1	-9	0	0
Total	0	8	0	1	-9	0	0

FCB did not open or relocate any branches in this assessment area. As the following details, on December 11, 2020 the bank closed eight branches within the PA Non-MSA assessment area.

Branch Closings in the PA Non-MSA Assessment Area			
Branch Name	Address	City	CT Income Level
Lewisburg - Market Street	239 Market Street	Lewisburg	Moderate
Pleasantville	4327 Quaker Valley Road	Alum Bank	Middle
Bessemer	409 East Poland Avenue	Bessemer	Middle
Central City	525 Sunshine Avenue	Central City	Middle
Jerome	1653 Penn Avenue	Hollsopple	Middle
Plumville	224 Main Street	Plumville	Middle
Weedville	18431 Bennetts Valley Hwy	Weedville	Middle
119 Drive-Up	1099 Wayne Avenue	Indiana	Upper
<i>Source Bank Data</i>			

Bank management closed the branches because they noted a substantial shift in how customers choose to bank. Customers are doing significantly fewer in-branch transactions and are conducting more digital, mobile, or online transactions. The accessibility of alternative delivery systems, the close proximity of other FCB locations, and the close proximity of other financial institution branches limits the impact on low- and moderate-income individuals.

Reasonableness of Business Hours and Services

Services and business hours do not vary in a way that inconveniences portions of the assessment area, particularly low- and moderate-income geographies and low- and moderate-income individuals. Branch hours are generally consistent at each location with hours from 9:00 A.M. to 5:00 P.M. Monday through Friday and 9:00 A.M. to 12:00 P.M. on Saturday. The bank operates one low-income branch location, which does not offer Saturday hours. The bank operates three moderate-income branch locations, two of which offer Saturday hours.

Community Development Services

The bank provides a relatively high level of community development services community development services in the PA Non-MSA assessment area during the evaluation period. The bank provided over 1,201 hours of service through, financial expertise, technical assistance, and financial education to many community development-related organizations and low-and moderate-income individuals. This is a decrease from the 2,460 hours provided during the previous evaluation period, where examiners rated the bank a leader. Examiners recognize the impact of the COVID-19 pandemic on many financial institutions’ and community development organizations’ ability to operate or provide services at the level of the previous evaluation. The following table below shows the breakdown of community development service hours by year.

Community Development Services in the PA Non-MSA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
3/23/2020 – 12/31/2020	0	186	0	0	186
2021	5	428	0	0	433
2022	5	404	0	0	409
1/1/2023 – 3/22/2023	1	153	19	0	173
Total	11	1,171	19	0	1,201
<i>Source Bank Data</i>					

Below are notable examples of the bank’s community development services:

- During the review period the bank provided more than 230 instances of financial education totaling 117.5 hours of direct education in the PA Non-MSA assessment area. The majority of the recipients were either low- or moderate-income or from a school where a majority of the students receive free lunches.
- Two employees served on the Board of Directors for a local organization that focuses on aiding the homeless and low-income families achieve sustainable independence through education, guidance, and advocacy for at risk families. Additionally, providing food, shelter, and case management for both homeless families and post-shelter support to ensure maintained independence.

WILLIAMSPORT, PA MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN WILLIAMSPORT, PA MSA ASSESSMENT AREA

Economic and Demographic Data

This assessment area includes Lycoming County, which comprises the Williamsport, PA MSA. The bank operates five branches in the Williamsport, PA MSA assessment area, the same number as the prior CRA evaluation. The bank’s operations in the Williamsport, PA MSA assessment area represent 1.7 percent of total in-assessment area lending (by number), 2.7 percent of total deposits, and 4.2 percent of total branches. There were no designated disaster areas that impacted the Williamsport, PA MSA assessment area.

The Williamsport, PA MSA assessment area includes 32 census tracts. The tracts reflect the following income designations according to 2020 U.S. Census data:

- 1 low-income tract;
- 1 moderate-income tract;
- 23 middle-income tracts;
- 6 upper-income tracts; and,
- 1 census tract with no income designation.

The 2020 U.S. Census data included changes in census tract boundaries and income categories. Since the 2010 U.S. Census, total census tracts increased from 29 to 32. Furthermore, U.S. Census changes showed a decrease in low-income census tracts from two to one and a decrease in moderate-income census tracts from four to one.

The following table illustrates select demographic characteristics of the Williamsport, PA MSA assessment area.

Demographic Information of the Assessment Area						
Assessment Area: First Commonwealth Williamsport, PA MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	32	3.1	3.1	71.9	18.8	3.1
Population by Geography	114,188	3.4	5.0	71.8	17.7	2.0
Housing Units by Geography	53,533	4.4	5.2	73.0	16.5	0.8
Owner-Occupied Units by Geography	31,653	0.9	2.0	78.5	18.4	0.2
Occupied Rental Units by Geography	14,507	12.7	10.5	59.6	15.6	1.6
Vacant Units by Geography	7,373	3.0	8.6	76.1	10.3	2.0
Businesses by Geography	11,134	3.6	3.7	73.9	17.7	1.1
Farms by Geography	457	0.7	0.9	83.2	14.7	0.7
Family Distribution by Income Level	30,030	19.5	18.1	21.8	40.7	0.0
Household Distribution by Income Level	46,160	23.4	16.1	19.5	41.0	0.0
Median Family Income MSA - 48700 Williamsport, PA MSA		\$66,824	Median Housing Value			\$157,880
			Median Gross Rent			\$806
			Families Below Poverty Level			9.3%
<i>Source 2020 U.S. Census and 2022 D&B Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

There are 53,533 housing units. Of these, 59.1 percent are owner-occupied, 27.1 percent are occupied rental units, and 13.8 percent are vacant. The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. There are 0.2 percent of owner-occupied housing units in the census tracts without an income designation.

Examiners used the 2021 and 2022 FFIEC-updated MFI to analyze home mortgage loans under the Borrower Profile criterion. The following table presents the low-, moderate-, middle-, and upper-income categories.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Williamsport, PA MSA Median Family Income (48700)				
2020 (\$64,800)	<\$32,400	\$32,400 to <\$51,840	\$51,840 to <\$77,760	≥\$77,760
2021 (\$72,300)	<\$36,150	\$36,150 to <\$57,840	\$57,840 to <\$86,760	≥\$86,760
<i>Source FFIEC</i>				

According to 2022 D&B data, there were 11,134 businesses. The following are the GARs for these businesses.

- 86.4 percent have \$1.0 million or less.
- 3.6 percent have more than \$1.0 million.
- 10.0 percent have unknown revenues.

Service industries represent the largest portion of businesses at 35.3 percent, followed by non-classifiable establishments (18.3 percent), and retail trade (12.5 percent). In addition, 64.0 percent of area businesses have four or fewer employees, and 90.5 percent operate from a single location.

The following table details the unemployment data from the U.S. Bureau of Labor Statistics for the assessment area and related areas. The table presents U. S. Bureau of Labor and Statistics data for December 2020, 2021, and 2022. Unemployment rose steeply during April 2020 and remained high through July 2020 due to the COVID-19 pandemic. For the majority of the review period unemployment rates generally trended downward;

Unemployment Rates in the Williamsport, PA MSA			
Area	2020	2021	2022
	%	%	%
Lycoming County, PA	8.3	5.0	4.0
Pennsylvania	7.9	3.8	3.8
National Average	6.7	3.9	3.5
<i>Source Bureau of Labor Statistics</i>			

Competition

The assessment area is competitive in the market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2022, there were 12 financial institutions operating 45 branches within the assessment area. Of these institutions, FCB ranked 6th with a 7.1 percent deposit market share.

There is a moderate level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2021, 194 lenders reported a total of 4,391 residential mortgage loans originated or purchased. FCB ranked 5th out of this group of lenders, with a market share of 5.2 percent. The three most prominent home mortgage lenders (Jersey Shore State Bank, Rocket Mortgage, and The Muncy Bank and Trust Company) accounted for 34.9 percent of total market share.

There is a moderate level of competition for small business loans. In 2021, 74 lenders reported a total of 2,082 small business loans originated or purchased. FCB ranked 12th out of this group of lenders, with a market share of 2.1 percent. The three most prominent small business lenders (The Muncy Bank and Trust Company, American Express National Bank, and Synchrony Bank) accounted for 40.8 percent of total market share.

CONCLUSIONS ON PERFORMANCE CRITERIA IN WILLIAMSPORT, PA MSA ASSESSMENT AREA

FCB demonstrated adequate performance under the Lending Test. The Lending Activity, Geographic Distribution, and Community Development Lending performance supports this conclusion.

Lending Activity

The bank's lending levels reflect adequate responsiveness to the Williamsport, PA MSA assessment area credit needs. During the review period, the bank originated 688 home mortgage, small business, and small farm loans totaling approximately \$67.0 million inside the assessment area. This total includes 564 home mortgage loans totaling approximately \$58.0 million, 124 small business loans totaling approximately \$9.0 million, and no small farm loans. During the review period, the bank's home mortgage lending activity remained stable.

In 2020 small business lending in the form of PPP loans drastically increased, but has since declined. The bank was an active participating lender for the PPP program in 2020 and 2021, originating 95 loans totaling approximately \$7.8 million in the Williamsport, PA MSA assessment area. This represents 1.4 percent by number and 1.1 percent by dollar volume for all PPP loans originated within the combined assessment area.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the assessment area. The bank's adequate performance for home mortgage and poor performance for small business lending supports this conclusion. Examiners focused on the percentage by number of loans in the low- and moderate-income census tracts.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects adequate penetration throughout the assessment area. Examiner's compared the bank's home mortgage lending to demographic and aggregate lending data.

As shown in the following table, the geographic distribution of home mortgage loans in low-income census tracts was similar to aggregate lending and demographic data in 2021. In 2022, the bank's level of lending activity was similar to 2021, but above demographic data. The geographic distribution of home mortgage loans in moderate-income census tracts was below both aggregate lending and demographic data in 2021. The bank's level of lending activity in moderate-income census tracts decreased in 2022, but was similar to demographic data. As noted above, there was a decrease in moderate-income census tracts from four to one.

Geographic Distribution of Home Mortgage Loans						
Assessment Area: First Commonwealth Williamsport, PA MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	1.4	1.5	4	1.7	392	1.7
2022	0.9	--	3	1.6	161	0.9
Moderate						
2021	7.2	8.0	14	6.1	1,110	4.9
2022	2.0	--	3	1.6	212	1.2
Middle						
2021	84.3	82.9	189	82.5	18,728	82.2
2022	78.5	--	148	80.4	14,817	80.7
Upper						
2021	7.0	7.5	22	9.6	2,555	11.2
2022	18.4	--	30	16.3	3,171	17.3
Not Available						
2021	0.0	0.0	0	0.0	0	0.0
2022	0.3	--	0	0.0	0	0.0
Totals						
2021	100.0	100.0	229	100.0	22,785	100.0
2022	100.0	--	184	100.0	18,362	100.0
<i>Source 2015 ACS & 2020 U.S. Census; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

The geographic distribution of small business loans reflects poor penetration throughout the assessment area. Examiners compared the bank’s small business lending to demographic and aggregate lending data.

As shown in the following table, FCB did not extend any small business loans in low-income census tracts in 2021 or 2022. The geographic distribution of small business loans in moderate-income census tracts was significantly below aggregate lending and demographic data in 2021. In 2022, FCB did not extend any small business loans in moderate-income census tracts. Overall, the bank originated a limited number of small business loans within the Williamsport, PA MSA assessment area in 2022. In addition, there was a decline in the number of moderate-income census tracts due to U.S. Census changes.

Geographic Distribution of Small Business Loans						
Assessment Area: First Commonwealth Williamsport, PA MSA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	5.0	3.6	0	0.0	0	0.0
2022	3.6	--	0	0.0	0	0.0
Moderate						
2021	16.2	13.7	2	4.7	44	1.1
2022	3.7	--	0	0.0	0	0.0
Middle						
2021	71.6	74.9	40	93.0	4,095	98.6
2022	73.9	--	7	87.5	625	98.3
Upper						
2021	7.2	7.8	1	2.3	15	0.4
2022	17.7	--	1	12.5	11	1.7
Not Available						
2021	0.0	0.0	0	0.0	0	0.0
2022	1.1	--	0	0.0	0	0.0
Totals						
2021	100.0	100.0	43	100.0	4,154	100.0
2022	100.0	--	8	100.0	636	100.0
<i>Source 2021 & 2022 D&B Data; Bank Data; 2021 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Borrower Profile

The distribution of borrowers reflects good penetration among individuals of different income levels and businesses of different sizes in the assessment area. The bank's good performance of home mortgage and small business lending supports this conclusion. Examiners focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers. Examiners also focused on the percentage by number of small business loans to businesses with GARs of \$1.0 million or less.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers is good. Examiners compared the bank's home mortgage lending to demographic and aggregate lending data.

As shown in the following table, the distribution of home mortgage loans to low-income borrowers exceeds aggregate lending data in 2021. In 2022, the bank's level of lending activity to low-income borrowers significantly increased. Although the bank's level of lending activity is below the demographics in both years, a low-income family in the assessment area, with an income less than \$66,824 would not likely qualify for a mortgage under conventional underwriting standards, especially considering the median housing value of \$157,880. In 2021, the distribution of home

mortgage loans to moderate-income borrowers exceeds demographic and aggregate lending data. Furthermore, the bank’s level of 2022 lending activity to moderate-income borrowers increased and is significantly above demographic data.

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: First Commonwealth Williamsport, PA MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	20.0	7.9	22	9.6	1,367	6.0
2022	19.5	--	27	14.7	1,755	9.6
Moderate						
2021	18.7	19.0	46	20.1	4,388	19.3
2022	18.1	--	49	26.6	4,048	22.0
Middle						
2021	22.1	23.6	64	27.9	5,152	22.6
2022	21.8	--	42	22.8	3,775	20.6
Upper						
2021	39.2	32.8	93	40.6	11,252	49.4
2022	40.7	--	63	34.2	8,218	44.8
Not Available						
2021	0.0	16.7	4	1.7	626	2.7
2022	0.0	--	3	1.6	566	3.1
Totals						
2021	100.0	100.0	229	100.0	22,785	100.0
2022	100.0	--	184	100.0	18,362	100.0
<i>Source 2015 ACS & 2020 U.S. Census; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

The distribution of small business loans reflects good penetration of loans to businesses with GARs less than or equal to \$1.0 million. Examiners compared the bank’s small business lending to demographic and aggregate lending data.

As shown in the following table, the bank’s performance of lending to businesses with GARs less than or equal to \$1.0 million significantly exceeds aggregate lending data; however, the bank’s performance is below demographics. As stated previously, overall, the bank originated a limited number of small business loans within the Williamsport, PA MSA assessment area in 2022. The bank’s level of lending activity to businesses with GARs less than or equal to \$1.0 million significantly decreased in 2022.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Assessment Area: First Commonwealth Williamsport, PA MSA						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2021	84.7	46.5	32	74.4	2,360	56.8
2022	86.4	--	3	37.5	248	39.0
>\$1,000,000						
2021	4.2	--	10	23.3	1,775	42.7
2022	3.6	--	5	62.5	388	61.0
Revenue Not Available						
2021	11.0	--	1	2.3	19	0.5
2022	10.0	--	0	0.0	0	0.0
Totals						
2021	100.0	100.0	43	100.0	4,154	100.0
2022	100.0	--	8	100.0	636	100.0
<i>Source 2021 & 2022 D&B Data; Bank Data; 2021 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Innovative or Flexible Lending Practices

FCB makes extensive use of innovative and flexible lending practices to address the credit needs of low- and moderate-income individuals and geographies throughout the assessment area.

Community Development Loans

FCB has made an adequate level of community development loans in the Williamsport, PA MSA assessment area. During the review period, FCB originated five community development loans totaling \$7.4 million. The number and dollar volume of community development loans has increased since the previous evaluation, which included no community development loans within the Williamsport, PA MSA assessment area. The following table illustrates the bank's community development lending activity in the Williamsport MSA assessment area by activity year and by community development purpose.

Community Development Lending in the Williamsport, PA MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
3/23/2020 – 12/31/2020	0	0	0	0	1	4,339	0	0	1	4,339
2021	1	158	0	0	1	2,411	0	0	2	2,569
2022	2	507	0	0	0	0	0	0	2	507
1/1/2023 – 3/22/2023	0	0	0	0	0	0	0	0	0	0
Total	3	665	0	0	2	6,750	0	0	5	7,415
<i>Source Bank Data</i>										

An example of FCB lending in the Williamsport MSA assessment area in support of economic development were two loans totaling \$6.8 million to a Jersey Shore, PA small business, co-sponsored by the USDA and SBA. The beverage production business seeks to employment to meet demand, with expectations of adding 20 new full time, low- or moderate-income positions.

INVESTMENT TEST

FCB demonstrated poor performance under the Investment Test. The sections below discuss the bank’s performance under each criterion.

Investment and Grant Activity

FCB has a poor level of qualified community development investments and donations in the Williamsport, PA MSA assessment area. FCB made one new qualified investment for \$28,000 and 14 donations totaling \$19,000 that specifically benefit the Williamsport, PA MSA assessment area. FCB’s prior evaluation included two qualified investments and four donations totaling \$54,000. The following table illustrates the bank’s qualified investments by community development purpose.

Qualified Investments in the Williamsport, PA MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	0	0	0	0	0	0
3/23/2020 – 12/31/2020	0	0	0	0	1	28	0	0	1	28
2021	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	0
1/1/2023 – 3/22/2023	0	0	0	0	0	0	0	0	0	0
Subtotal	0	0	0	0	1	28	0	0	1	28
Qualified Grants & Donations	0	0	14	19	0	0	0	0	14	19
Total	0	0	14	19	1	28	0	0	15	47
<i>Source Bank Data</i>										

The one investment example by FCB for \$28,000 is in support of a qualified business under the KIZ program.

Responsiveness to Credit and Community Development Needs

FCB exhibits poor responsiveness to credit and community economic development needs throughout the Williamsport, PA MSA assessment area. Management directed the majority of the bank’s investments and grants, by number and dollar amount, to economic development, which examiners noted as one of the primary needs of the community.

Community Development Initiatives

The bank rarely uses innovative and/or complex investments to support community development initiatives. FCB’s investments primarily include various tax credit programs.

SERVICE TEST

FCB demonstrated adequate performance under the Service Test. The following sections discuss the bank's performance under each criterion.

Accessibility of Delivery Systems

The bank's delivery systems are reasonably accessible to essentially all portions of the institution's assessment area. FCB serves the Williamsport, PA MSA assessment area with five branches and six full-service ATMs. The following table details the bank's branching and ATM distribution.

Branch and ATM Distribution by Geography Income Level in the Williamsport, PA MSA								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	1	3.1	3,902	3.4	0	0.0	0	0.0
Moderate	1	3.1	5,766	5.0	0	0.0	0	0.0
Middle	23	71.9	82,001	71.8	4	80.0	4	66.7
Upper	6	18.8	20,243	17.7	1	20.0	2	33.3
NA	1	3.1	2,276	2.0	0	0.0	0	0.0
Total	32	100.0	114,188	100.0	5	100.0	6	100.0

Source 2020 U.S. Census & Bank Data

As shown in the previous table, the bank does not have any branches in the single low-income census tract or the single moderate-income census tract. The closest branch is less than two miles from the low-income census tract and less than three miles from the moderate-income census tract. The adverse effect of not having a branch in a low- or moderate-income census tract is limited due to the close proximity of a branch to those census tracts. The branch distribution and alternative delivery systems for the Williamsport, PA MSA assessment area are consistent with the institution overall. Alternative banking services such as ATMs, telephone banking, online banking, and mobile banking are available to increase accessibility of retail banking services.

Changes in Branch Locations

To the extent changes have been made, FCB's record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and low- and moderate-income individuals. The bank did not open, close, or relocate any branches within the Williamsport, PA MSA during the review period. The following table shows the net changes in branch locations from the effects of the 2020 U.S. Census.

Net Distribution of Branch Openings/Closings							
Assessment Area	# of Branch Openings	# of Branch Closings	Income Level of Census Tract (+/-)				
			Low	Moderate	Middle	Upper	NA
Williamsport, PA MSA	0	0	0	0	-1	1	0
Total	0	0	0	0	-1	1	0

Reasonableness of Business Hours and Services

Services and business hours do not vary in a way that inconveniences portions of the assessment area, particularly low- and moderate-income geographies and low- and moderate-income individuals. Branch hours are generally consistent at each location with hours from 9:00 A.M. to 5:00 P.M. Monday through Friday and three of the five branches are open 9:00 A.M. to 12:00 P.M. on Saturday.

Community Development Services

The bank provides a limited level of community services in the Williamsport, PA MSA. The bank provided 6 hours of financial education to local community development-related organizations, and low- and moderate-income individuals. The following table illustrates the bank’s community development service hours by year and community development purpose.

Community Development Services in the Williamsport, PA MSA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
3/23/2020 – 12/31/2020	0	0	0	0	0
2021	3	0	0	0	3
2022	2	1	0	0	3
1/1/2023 – 3/22/2023	0	0	0	0	0
Total	5	1	0	0	6
<i>Source Bank Data</i>					

- During the review period, the bank provided six hours of financial literacy education in two classes to first time home buyers and another class through a housing authority. The education was directed towards low- and moderate-income individuals.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED-SCOPE ASSESSMENT AREAS

Assessment Area	Lending Test	Investment Test	Service Test
Altoona, PA MSA	Consistent	Below	Below
Bloomsburg-Berwick, PA MSA	Below	Below	Below
Johnstown, PA MSA	Consistent	Consistent	Below
State College, PA MSA	Consistent	Consistent	Below

Altoona, PA MSA

The Altoona, PA MSA assessment area represents the bank’s presence in Blair County. The following table shows loan, investment, and service activity within the Altoona, PA MSA assessment area. Lending activity is from 2020 through 2022, while community development activity is from March 23, 2020 through March 22, 2023.

Activity	#	\$
Home Mortgage Loans	926	80,977
Small Business Loans	363	25,431
Small Farm Loans	0	0
Community Development Loans	4	4,395
Investments (New)	0	0
Investments (Prior Period)	0	0
Donations	30	166
CD Services	141	0
<i>Source Bank Data</i>		

Bloomsburg-Berwick, PA MSA

The Bloomsburg-Berwick, PA MSA assessment area represents the bank’s presence in Montour County. The following table shows loan, investment, and service activity within the Bloomsburg-Berwick, PA MSA assessment area. Lending activity is from 2020 through 2022, while community development activity is from March 23, 2020 through March 22, 2023.

Activity	#	\$
Home Mortgage Loans	33	4,007
Small Business Loans	10	524
Small Farm Loans	0	0
Community Development Loans	0	0
Investments (New)	0	0
Investments (Prior Period)	0	0
Donations	0	0
CD Services	15	0
<i>Source Bank Data</i>		

Johnstown, PA MSA

The Johnstown, PA MSA assessment area represents the bank’s presence in Cambria County. The following table shows loan, investment, and service activity within the Johnstown, PA MSA

assessment area. Lending activity is from 2020 through 2022, while community development activity is from March 23, 2020 through March 22, 2023.

Activity	#	\$
Home Mortgage Loans	1,322	112,286
Small Business Loans	384	26,413
Small Farm Loans	2	27
Community Development Loans	2	254
Investments (New)	1	175
Investments (Prior Period)	1	1
Donations	24	89
CD Services	30	0
<i>Source Bank Data</i>		

State College, PA MSA

The State College, PA MSA assessment area represents the bank’s presence in Centre County. The following table shows loan, investment, and service activity within the State College, PA MSA assessment area. Lending activity is from 2020 through 2022, while community development activity is from March 23, 2020 through March 22, 2023.

Activity	#	\$
Home Mortgage Loans	190	25,993
Small Business Loans	74	7,598
Small Farm Loans	1	21
Community Development Loans	0	0
Investments (New)	4	289
Investments (Prior Period)	0	0
Donations	16	50
CD Services	330	0
<i>Source Bank Data</i>		

Geographic Distribution and Borrower Profile

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																				2021
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	
Altoona MSA	297	27,577	37.3	4,205	3.1	0.3	2.2	9.0	8.8	8.1	77.6	80.5	76.0	10.2	10.4	13.8	0.0	0.0	0.0	
Bloomsburg MSA	18	1,892	2.3	617	0.0	0.0	0.0	19.4	22.2	30.1	23.3	16.7	11.7	57.3	61.1	58.2	0.0	0.0	0.0	
Johnstown MSA	411	37,134	51.6	3,563	1.4	0.7	0.4	13.3	8.8	6.3	59.3	56.2	57.8	26.0	34.3	35.5	0.0	0.0	0.0	
State College MSA	71	8,507	8.9	5,658	0.0	0.0	0.0	16.0	11.3	15.7	51.7	67.6	46.1	31.5	21.1	36.9	0.8	0.0	1.4	
Total	797	75,111	100.0	14,043	1.5	0.5	0.8	13.0	9.3	11.6	61.1	65.4	56.5	24.2	24.8	30.5	0.2	0.0	0.6	

*Source 2015 ACS; 01/01/2021 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography

2022

Assessment Area:	Total Home Mortgage Loans			Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate
Altoona MSA	281	22,036	37.8	1.5	1.1	--	15.5	12.8	--	61.3	61.9	--	21.7	24.2	--	0.0	0.0	--
Bloomsburg MSA	6	642	0.8	0.0	0.0	--	0.0	0.0	--	61.7	83.3	--	38.3	16.7	--	0.0	0.0	--
Johnstown MSA	389	30,897	52.4	3.0	1.0	--	9.2	6.7	--	64.0	63.5	--	23.7	28.8	--	0.0	0.0	--
State College MSA	67	9,976	9.0	0.0	0.0	--	16.8	6.0	--	59.9	68.7	--	23.2	25.4	--	0.1	0.0	--
Total	743	63,550	100.0	1.5	0.9	--	13.0	8.9	--	61.9	63.5	--	23.6	26.6	--	0.0	0.0	--

Source 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography **2021**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate
Altoona MSA	95	7,242	38.9	2,125	7.3	13.7	4.7	8.7	4.2	7.9	76.1	77.9	78.0	7.9	4.2	9.5	0.0	0.0	0.0
Bloomsburg MSA	4	219	1.6	245	0.0	0.0	0.0	33.3	75.0	29.4	12.6	0.0	12.7	54.2	25.0	58.0	0.0	0.0	0.0
Johnstown MSA	117	7,776	48.0	2,351	2.0	2.6	2.4	18.4	16.2	15.0	47.9	53.8	50.5	31.7	27.4	32.1	0.0	0.0	0.0
State College MSA	28	2,320	11.5	2,677	1.6	0.0	0.0	18.3	3.6	18.4	38.5	35.7	42.1	31.9	46.4	30.9	9.6	14.3	8.7
Total	244	17,557	100.0	7,398	3.3	6.6	2.1	16.1	11.1	14.6	51.1	60.2	54.1	25.7	20.5	26.0	3.7	1.6	3.1

Source 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography													2022	
Assessment Area:	Total Loans to Small Businesses			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	% Businesses	% Bank Loans	
Altoona MSA	27	1,903	73.0	1.9	0.0	21.1	22.2	58.5	59.3	18.5	18.5	0.0	0.0	
Bloomsburg MSA	0	0	0.0	0.0	0.0	0.0	0.0	69.6	0.0	30.4	0.0	0.0	0.0	
Johnstown MSA	6	942	16.2	3.5	0.0	14.5	0.0	59.1	100.0	23.0	0.0	0.0	0.0	
State College MSA	4	1,752	10.8	1.0	0.0	16.5	0.0	48.2	75.0	26.8	25.0	7.4	0.0	
Total	37	4,597	100.0	1.9	0.0	16.6	16.2	55.1	67.6	23.5	16.2	2.9	0.0	

Source 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; "--" data not available.
Due to rounding, totals may not equal 100.0%

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower

2021

Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Altoona MSA	297	27,577	37.3	4,205	19.9	15.2	9.9	18.7	26.6	20.1	21.9	22.2	21.3	39.5	31.3	32.7	0.0	4.7	16.0
Bloomsburg MSA	18	1,892	2.3	617	14.5	16.7	7.8	17.8	27.8	16.4	21.3	11.1	19.6	46.4	44.4	40.4	0.0	0.0	15.9
Johnstown MSA	411	37,134	51.6	3,563	19.5	13.6	8.6	19.4	25.3	18.7	20.8	24.6	21.0	40.3	34.1	37.6	0.0	2.4	14.1
State College MSA	71	8,507	8.9	5,658	19.6	19.7	7.1	18.5	25.4	17.2	21.5	19.7	23.8	40.3	29.6	40.2	0.0	5.6	11.7
Total	797	75,111	100.0	14,043	19.5	14.8	8.3	18.8	25.8	18.4	21.4	23.0	22.2	40.3	32.9	37.3	0.0	3.5	13.8

Source 2015 ACS ; 01/01/2021 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower **2022**

Assessment Area:	Total Home Mortgage Loans			Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
	#	\$	% of Total	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate
Altoona MSA	281	22,036	37.8	20.1	13.5	--	18.7	27.8	--	21.3	24.2	--	39.8	30.6	--	0.0	3.9	--
Bloomsburg MSA	6	642	0.8	17.1	0.0	--	16.6	0.0	--	22.1	100.0	--	44.2	0.0	--	0.0	0.0	--
Johnstown MSA	389	30,897	52.4	19.6	23.1	--	18.6	21.3	--	22.1	24.9	--	39.7	25.7	--	0.0	4.9	--
State College MSA	67	9,976	9.0	18.2	11.9	--	19.0	28.4	--	23.2	20.9	--	39.5	32.8	--	0.0	6.0	--
Total	743	63,550	100.0	19.2	18.3	--	18.7	24.2	--	22.2	24.9	--	39.9	28.0	--	0.0	4.6	--

Source 2020 U.S. Census ; 01/01/2022 - 12/31/2022 Bank Data, "--" data not available.
 Due to rounding, totals may not equal 100.0%

Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2021
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Altoona MSA	95	7,242	38.9	2,125	83.7	80.0	53.3	5.0	17.9	11.2	2.1
Bloomsburg MSA	4	219	1.6	245	83.7	75.0	59.2	3.6	25.0	12.7	0.0
Johnstown MSA	117	7,776	48.0	2,351	81.6	64.1	44.6	5.0	23.9	13.4	12.0
State College MSA	28	2,320	11.5	2,677	85.1	78.6	52.0	3.9	17.9	11.0	3.6
Total	244	17,557	100.0	7,398	83.6	72.1	50.3	4.5	20.9	11.8	7.0
<i>Source 2021 D&B Data; 01/01/2021 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>											

Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2022
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
Altoona MSA	27	1,903	73.0	--	85.3	74.1	--	4.4	22.2	10.3	3.7
Bloomsburg MSA	--	--	--	--	85.5	--	--	3.1	--	11.4	--
Johnstown MSA	6	942	16.2	--	83.4	33.3	--	4.5	66.7	12.1	0.0
State College MSA	4	1,752	10.8	--	86.8	75.0	--	3.3	25.0	10.0	0.0
Total	37	4,597	100.0	--	85.4	67.6	--	3.9	29.7	10.7	2.7
<i>Source 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>											

OHIO

CRA RATING FOR OHIO: SATISFACTORY

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: Low Satisfactory

The Service Test is rated: High Satisfactory

DESCRIPTION OF INSTITUTION'S OPERATIONS IN OHIO

Economic and Demographic Data

FCB designated three assessment areas in OH. Collectively, examiners refer to the three assessment areas as the OH rated area. The bank operates 25 branches in OH, 9 less than at the prior evaluation. There are no Non-MSA counties in the assessment area that have middle-income underserved or distressed tracts. Additionally, there was one designated disaster area that impacted one county in the Cincinnati, OH MSA in the OH rated area.

The combined assessment area includes 761 census tracts. These tracts reflect the following income designations according to 2020 U.S. Census Data:

- 97 low-income tracts,
- 178 moderate-income tracts,
- 256 middle-income tracts,
- 208 upper-income tracts,
- 22 census tracts with no income designation.

The 2020 U.S. Census data included changes in census tract boundaries and income categories. Since the 2010 U.S. Census, total census tracts increased from 693 to 761. Furthermore, U.S. Census changes showed a decrease in low-income census tracts from 111 to 97 and an increase in moderate-income census tracts from 160 to 178.

The following table illustrates select demographic characteristics of the OH rated area.

Demographic Information of the Assessment Area						
Assessment Area: First Commonwealth Ohio						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	761	12.7	23.4	33.6	27.3	2.9
Population by Geography	3,049,598	9.4	22.0	35.6	31.2	1.7
Housing Units by Geography	1,311,167	10.3	23.1	35.8	29.1	1.6
Owner-Occupied Units by Geography	729,044	4.8	18.1	39.0	37.6	0.5
Occupied Rental Units by Geography	478,585	16.4	29.8	32.2	18.9	2.7
Vacant Units by Geography	103,538	21.0	27.5	30.3	17.0	4.3
Businesses by Geography	434,018	7.6	17.4	31.2	42.4	1.5
Farms by Geography	8,509	4.9	15.8	37.5	41.0	0.8
Family Distribution by Income Level	732,837	22.5	17.3	20.1	40.0	0.0
Household Distribution by Income Level	1,207,629	25.4	16.3	17.7	40.6	0.0
Median Family Income MSA - 15940 Canton-Massillon, OH MSA		\$70,028	Median Housing Value			\$185,536
Median Family Income MSA - 17140 Cincinnati, OH-KY-IN MSA		\$84,990	Median Gross Rent			\$928
Median Family Income MSA - 18140 Columbus, OH MSA		\$84,088	Families Below Poverty Level			9.8%
Median Family Income Non-MSAs - OH		\$66,684				
<i>Source 2020 U.S. Census and 2022 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

There are 1,311,167 housing units. Of these, 55.6 percent are owner-occupied, 36.5 percent are occupied rental units, and 7.9 percent are vacant. The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. There are 0.5 percent of owner-occupied housing units in the census tracts without an income designation.

According to 2022 D&B data, there were 434,018 businesses. The following are the GARs for these businesses.

- 91.0 percent have \$1.0 million or less.
- 2.8 percent have more than \$1.0 million.
- 6.2 percent have unknown revenues.

The analysis of small business loans under the Borrower Profile criterion compares the distribution of businesses by GAR level. Non-classifiable establishments represent the largest portion of businesses at 33.0 percent; followed by service industries (31.3 percent); and finance, insurance and real estate (11.0 percent). In addition, 55.2 percent of area businesses have four or fewer employees, and 93.6 percent operate from a single location.

The following table details the unemployment data from the U.S. Bureau of Labor Statistics for the assessment area and related areas. The table presents U. S. Bureau of Labor and Statistics data for December 2020, 2021, and 2022. Unemployment rose steeply during April 2020 and remained high through July 2020 due to the COVID-19 pandemic. For the majority of the review period unemployment rates generally trended downward.

Unemployment Rates for the State of Ohio			
Area	2020	2021	2022
	%	%	%
Ohio	5.9	3.5	3.5
National Average	6.7	3.9	3.5
<i>Source Bureau of Labor Statistics</i>			

Competition

The assessment area is competitive in the market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2022, there were 73 financial institutions operating 757 branches within the assessment area. Of these institutions, FCB ranked 9th with a 0.8 percent deposit market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2021, 706 lenders reported a total of 168,795 residential mortgage loans originated or purchased. FCB ranked 30th out of this group of lenders, with a market share of 0.9 percent. The three most prominent home mortgage lenders (Huntington National Bank, Union Savings Bank, and Rocket Mortgage) accounted for 18.8 percent of total market share.

There is a moderate level of competition for small business loans. In 2021, 212 lenders reported a total of 70,329 small business loans originated or purchased. FCB ranked 22nd out of this group of lenders, with a market share of 0.7 percent. The three most prominent small business lenders (American Express National Bank, JPMorgan Chase N.A., and US Bank N.A.) accounted for 41.9 percent of total market share.

Community Contact

Examiners reviewed two recent community contacts and determined affordable housing represents the primary need in the OH rated area. The lack of affordable housing has been and continues to be an issue. Currently, there is a very low stock of homes under \$100,000. Both contacts noted a lack of affordable rentals. In addition, one contact indicated small dollar loans are needed, while the other contact indicated a need for home improvement loans to fix up existing, dilapidated stock.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, bank management, and demographic and economic data, examiners determined that home mortgage loans represent the primary credit needs for the OH rated area. Affordable housing is a critical community development need throughout the OH rated area, with the demand for affordable housing outweighing the current supply.

SCOPE OF EVALUATION OHIO

The scope is similar to the overall scope discussed previously, except that this portion of the evaluation only considers assessment area activity within OH. Please refer to the overall discussion for more information on products reviewed, review timeframe, and weighting of products.

The evaluation for OH considered the bank operations in the Columbus, OH MSA assessment area; Cleveland-Akron-Canton, OH CSA assessment area; and Cincinnati, OH MSA assessment area. Examiners conducted a limited-scope review for the Cincinnati, OH MSA assessment area due to the limited volume of lending, deposits, and branches within this assessment area. Due to the larger volume of lending, deposits, and branches, the bank's performance in the Columbus, OH MSA assessment area accounts for the most weight, followed by its performance in the Cleveland-Akron-Canton, OH CSA assessment area, when arriving at overall conclusions for OH.

CONCLUSIONS ON PERFORMANCE CRITERIA IN OHIO

LENDING TEST

The Lending Test performance in OH is rated High Satisfactory. The Borrower Profile criterion, Innovative and Flexible, and Community Development Lending performances supports this conclusion. The Lending Test performance is consistent throughout the OH assessment areas.

Lending Activity

The bank's lending levels reflect good responsiveness to the OH rated area credit needs. During the review period, the bank originated 5,748 home mortgage, small business, and small farm loans totaling approximately \$1.3 billion inside the OH rated area. Inside the OH rated area the number of home mortgage loans totaled 4,298 for approximately \$1.1 billion, small business loans totaled 1,444 for approximately \$162.2 million, and small farm loans totaled 6 for approximately \$383,000. During the review period, the bank's home mortgage and small farm lending activity remained stable.

In 2020 small business lending in the form of PPP loans drastically increased, but has since declined. The bank was an active participating lender for the PPP program in 2020 and 2021, originating 1,093 loans totaling approximately \$122.8 million in the OH rated area. This represents 16.0 percent by number and 18.1 percent by dollar volume for all PPP loans originated within the combined assessment area.

Geographic Distribution

Geographic distribution of loans reflects poor penetration throughout the OH rated area. The bank's poor performance of home mortgage and small business lending within the Columbus, OH assessment area primarily supports this conclusion, as this area received the most weight in the overall analysis. The bank's performance within the Cleveland-Akron-Canton, OH CSA assessment area is above the overall OH performance.

Borrower Profile

The distribution of borrowers reflects adequate penetration among individuals of different income levels and businesses of different revenue sizes in the PA rated area. The bank’s adequate performance of home mortgage and small business lending in both full-scope areas supports this conclusion.

Innovative or Flexible Lending Practices

FCB makes extensive use of innovative and flexible lending practices to address the credit needs of low- and moderate-income individuals and geographies throughout each assessment area. The OHFA, Fix It Funds, and GrowNOW programs are specific to OH.

Community Development Loans

FCB is a leader in making community development loans within the OH assessment areas, particularly within the Columbus, OH MSA assessment area. During the evaluation period, the bank originated 72 community development loans totaling \$135.8 million. By number and dollar volume, this level represents 36.2 percent and 63.0 percent of total community development loans, respectively. This level of activity represents 1.5 percent of average total assets and 2.0 percent of average total loans since the prior CRA evaluation. At the prior evaluation, FCB’s community development loans represented 1.3 percent of average total assets and 1.7 percent of average total loans. At the prior evaluation, examiners rated FCB as a leader in making community development loans and the current evaluation shows similar performance. In addition, examiners noted a comparable bank that made 37 community development loans totaling \$109.6 million in the Ohio rated area. Examiners considered the bank to have made a relatively high level of community development loans. The following table illustrates the bank’s community development lending activity by OH assessment area and by community development purpose.

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Columbus MSA	8	25,321	9	5,470	3	16,075	1	5,650	21	52,516
Cleveland-Akron-Canton CSA	3	814	4	513	0	0	1	1,739	8	3,066
Cincinnati MSA	6	3,495	3	548	1	9,900	0	0	10	13,943
Statewide Activities	18	18,143	2	2,587	6	7,233	7	38,326	33	66,289
Total	35	47,774	18	9,118	10	33,208	9	45,715	72	135,814
<i>Source Bank Data</i>										

The following originations are a sample of statewide community development loans:

- FCB made a \$28.5 million loan in January 2022 to a local development company to revitalize and stabilize the Merriman Valley, a designated Community Reinvestment Area that is comprised entirely of moderate-income census tracts. With the City of Akron and Development Finance Authority of Summit County, a Development Agreement instructs the revitalization effort to include walkability, equity, and beautification with intent to draw newcomers to the area and spur job creation.

- FCB made a \$5.9 million loan in August 2022 to a property management group for the purchase and renovation of a 132 unit affordable housing complex. Loan proceeds will be for interior and exterior renovations.

INVESTMENT TEST

An overall High Satisfactory rating is assigned under the Investment Test. The bank’s performance in the Columbus, OH MSA assessment area primarily drives the rating. The bank’s performance in the remaining OH assessment areas is slightly below the overall rating.

Investment and Grant Activity

FCB has a significant level of qualified community development investments and donations in the OH rated area. FCB made qualified investments and donations totaling \$15.3 million. By number and dollar volume, this level represents 28.3 and 42.3 percent of the bank-wide qualified investment activity. As of December 31, 2022, this represents 0.2 percent of average assets and 1.1 percent of average total securities since the previous evaluation. At the prior evaluation, FCB’s qualified investments represented 0.2 percent of average total assets and 1.3 percent of average total securities. At the prior evaluation, FCB had a significant level of qualified investments and the current evaluation shows similar performance. The following table illustrates the bank’s qualified investments and donations activity by assessment area and community development purpose. Additional details by year are contained within the sections for the individual assessment areas.

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Columbus MSA	14	2,512	57	226	5	2,889	0	0	76	5,627
Cleveland-Akron-Canton CSA	10	6,637	25	97	1	125	0	0	36	6,859
Cincinnati MSA	1	415	17	32	2	1,607	0	0	20	2,054
Statewide Activities	7	719	24	61	0	0	0	0	31	780
Regional Activities	0	0	0	0	0	0	0	0	0	0
Total	32	10,282	123	417	8	4,621	0	0	163	15,320
<i>Source Bank Data</i>										

The following are notable examples of the bank’s qualified investments and donations that benefit multiple assessment areas within OH.

Prior Period Investments

- The bank continues to hold a \$159,000 mortgage revenue bond for the OH Housing Finance Agency. Proceeds are to finance the origination and purchase of mortgage loans by qualified low- and moderate-income borrowers.

- The bank maintained its investments in four SBICs. Bank commitments to the SBICs total \$5.5 million. The U. S. Small Business Administration sponsors the SBIC program and provides equity and debt investments in qualified small businesses. The current values are as follows:
 - Columbus, OH MSA assessment area - \$2,514,000
 - Cincinnati, OH MSA assessment area - \$1,606,000
- The bank's purchase of \$1.5 million in low-income housing tax credits (LIHTCs) continues to uphold affordable housing projects in development. LIHTCs help fund the construction, acquisition, and rehabilitation of affordable housing communities that serve families, seniors, and individuals with disabilities in rural, suburban, and urban areas. The following are details of the LIHTCs.
 - Columbus, OH MSA assessment area - \$414,524
 - Cleveland-Akron-Canton, OH CSA assessment area - \$414,524
 - Cincinnati, OH MSA assessment area - \$414,524

New Investments

- The bank purchased an additional \$7.0 million in LIHTCs in 2021, as detailed below with their current value. LIHTCs help fund the construction, acquisition, and rehabilitation of affordable housing communities that serve families, seniors, and individuals with disabilities in rural, suburban, and urban areas.
 - Columbus, OH MSA assessment area - \$996,113
 - Cleveland-Akron-Canton, OH CSA assessment area - \$4,978,000
 - Cincinnati, OH MSA assessment area - \$996,113
- The bank made various donations throughout the period that supported community service and affordable housing organizations targeting low- and moderate-income individuals and families. Some notable examples included a \$5,000 donation to the Habitat for Humanity of Mahoning Valley and eight varied donation amounts to total \$7,775 to specific area food banks. These donations occurred during a time of significant stress upon essential services demonstrating the bank's acute awareness of area needs.

Responsiveness to Credit and Community Development Needs

FCB exhibits adequate responsiveness to credit and community economic development needs throughout the OH rated area. Management directed the majority of the bank's investments and grants, by number and dollar amount, to affordable housing.

Community Development Initiatives

The bank occasionally uses innovative and/or complex investments to support community development initiatives. FCB's investments primarily include MBSs and various tax credit programs.

SERVICE TEST

The bank's overall Service Test performance in the OH rated area is High Satisfactory. The Columbus, OH MSA assessment area primarily drives that rating. The bank's performance in the remaining OH assessment areas is slightly below the overall rating.

Accessibility of Delivery Systems

The bank's delivery systems are reasonably accessible to essentially all portions of the institution's assessment area. FCB serves the OH rated area with 25 branches and 26 ATMs. Alternative banking services such as telephone banking, online banking, mobile banking and digital payments are available to increase accessibility of retail banking services. For additional information on the distribution of branches and ATMs, refer to the individual assessment areas under the Service Test.

Branch and ATM Distribution by Geography Income Level								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	97	12.8	287,685	9.4	0	0.0	0	0.0
Moderate	178	23.4	671,391	22.0	4	16.0	4	15.4
Middle	256	33.6	1,086,084	35.6	8	32.0	8	30.8
Upper	208	27.3	952,571	31.3	13	52.0	14	53.8
NA	22	2.9	51,867	1.7	0	0.0	0	0.0
Total	761	100.0	3,049,598	100.0	25	100.0	26	100.0

Source 2020 U.S. Census & Bank Data

Changes in Branch Locations

To the extent changes have been made, the institution's opening and closing of branches have generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals. The following table shows the net changes in branch locations from openings, closings, and the effects of the 2020 U.S. Census.

Net Distribution of Branch Openings/Closings							
Assessment Area	# of Branch Openings	# of Branch Closings	Income Level of Census Tract (+/-)				
			Low	Moderate	Middle	Upper	NA
Columbus MSA	0	6	-1	1	-7	1	0
Cleveland-Akron-Canton CSA	0	3	0	0	-3	1	-1
Cincinnati MSA	0	0	0	0	1	-1	0
Total	0	9	-1	1	-9	1	-1

On December 11, 2020 the bank closed nine branches. Of those eight branch closures, one was in a moderate-income census tract. The remaining closure was in a census tract with no income designation. For additional information on the changes in branch locations, refer to the individual assessment areas under the Service Test.

Reasonableness of Business Hours and Services

Services and business hours do not vary in a way that inconveniences portions of the assessment area, particularly low- and moderate-income geographies and low- and moderate-income individuals. Branch hours are consistent with each location open from 9:00 A.M. to 5:00 P.M. Monday through Friday. In addition, 14 branches are open from 9:00 A.M. to 12:00 P.M. on Saturday. Finally, each branch offers the same services.

Community Development Services

The bank provides a relatively high level of community development services in the OH rated area. The bank provided 2,818 hours of financial expertise, technical assistance, and financial education to many community development-related organizations, and low- and moderate-income individuals, often on an ongoing basis. This is a significant increase since the previous evaluation, where community development services totaled 1,752 hours. The following table illustrates the bank’s community development service hours by year and community development purpose.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
Columbus MSA	80	762	120	0	962
Cleveland-Akron-Canton CSA	24	456	256	0	736
Cincinnati MSA	5	176	0	83	264
Statewide Activities	20	617	111	0	748
Regional Activities	0	0	90	21	111
Total	129	2,011	577	104	2,821
<i>Source Bank Data</i>					

The following is an example of a community development service provided within the statewide activities of OH.

- During the review period one employee provided 572 hours of service as a board director for an organization that provides food, homeless shelters, and rental assistance to low- and moderate-income individuals.

COLUMBUS, OH MSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN COLUMBUS, OH MSA ASSESSMENT AREA

Economic and Demographic Data

Since the last evaluation, this assessment area has changed. This assessment area includes Delaware and Franklin Counties, which comprise a portion of the Columbus, OH MSA. At the prior CRA evaluation FCB also designated Madison and Morrow Counties, but removed them as there was no branch presence and limited loan activity. The bank operates 10 branches in the Columbus, OH MSA assessment area, 6 less than the prior CRA evaluation. The bank’s operations in the Columbus, OH MSA assessment area represent 22.4 percent of total in-assessment area lending by number, 9.8 percent of total deposits, and 8.4 percent of total branches. There were no designated disaster areas that impacted the Columbus, OH MSA assessment area.

The Columbus, OH MSA assessment area includes 368 census tracts. The tracts reflect the following income designations according to 2020 U.S. Census data:

- 57 low-income tracts;
- 81 moderate-income tracts;
- 107 middle-income tracts;
- 115 upper-income tracts; and,
- 8 census tracts with no income designation.

The 2020 U.S. Census data included changes in census tract boundaries and income categories. Since the 2010 U.S. Census, total census tracts increased from 337 to 368. Furthermore, U.S. Census changes showed a decrease in low-income census tracts from 61 to 57 and an increase in moderate-income census tracts from 77 to 81.

The following table illustrates select demographic characteristics of the Columbus, OH MSA assessment area.

Demographic Information of the Assessment Area						
Assessment Area: First Commonwealth Columbus, OH MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	368	15.5	22.0	29.1	31.3	2.2
Population by Geography	1,537,931	11.3	19.8	31.5	35.7	1.7
Housing Units by Geography	634,210	12.2	20.7	32.3	33.5	1.2
Owner-Occupied Units by Geography	336,175	5.9	15.6	33.9	44.2	0.3
Occupied Rental Units by Geography	254,583	18.0	26.9	31.5	21.6	2.0
Vacant Units by Geography	43,452	27.3	23.7	24.3	21.3	3.4
Businesses by Geography	232,362	9.3	15.6	29.1	44.4	1.6
Farms by Geography	3,935	7.2	15.0	30.2	46.8	0.7
Family Distribution by Income Level	357,010	22.2	16.7	19.5	41.5	0.0
Household Distribution by Income Level	590,758	23.7	16.5	18.0	41.8	0.0
Median Family Income MSA - 18140 Columbus, OH MSA		\$84,088	Median Housing Value			\$205,370
			Median Gross Rent			\$1,022
			Families Below Poverty Level			9.6%
<i>Source 2020 U.S. Census and 2022 D&B Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

There are 634,210 housing units. Of these, 53.0 percent are owner-occupied, 40.1 percent are occupied rental units, and 6.9 percent are vacant. The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. There are 0.3 percent of owner-occupied housing units in the census tracts without an income designation.

Examiners used the 2021 and 2022 FFIEC-updated MFI to analyze home mortgage loans under the Borrower Profile criterion. The following table presents the low-, moderate-, middle-, and upper-income categories.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Columbus, OH MSA Median Family Income (18140)				
2020 (\$84,600)	<\$42,300	\$42,300 to <\$67,680	\$67,680 to <\$101,520	≥\$101,520
2021 (\$83,900)	<\$41,950	\$41,950 to <\$67,120	\$67,120 to <\$100,680	≥\$100,680
<i>Source FFIEC</i>				

According to 2022 D&B data, there were 232,362 businesses. The following are the GARs for these businesses.

- 91.6 percent have \$1.0 million or less.

- 2.5 percent have more than \$1.0 million.
- 5.9 percent have unknown revenues.

Service industries represent the largest portion of businesses at 31.9 percent; followed by non-classifiable establishments (33.1 percent); and finance, insurance, and real estate (10.6 percent). In addition, 55.5 percent of area businesses have four or fewer employees, and 93.9 percent operate from a single location.

The following table details the unemployment data from the U.S. Bureau of Labor Statistics for the assessment area and related areas. The table presents U. S. Bureau of Labor and Statistics data for December 2020, 2021, and 2022. Unemployment rose steeply during April 2020 and remained high through July 2020 due to the COVID-19 pandemic. Delaware County’s unemployment rate also rose during the April 2020 through July time period, but remained below 10.0 percent. For the majority of the review period unemployment rates generally trended downward.

Unemployment Rates in the Columbus, OH MSA			
Area	2020	2021	2022
	%	%	%
Delaware County, OH	4.0	2.4	2.6
Franklin County, OH	5.5	3.0	3.1
Ohio	5.9	3.5	3.5
National Average	6.7	3.9	3.5
<i>Source Bureau of Labor Statistics</i>			

Competition

The assessment area is competitive in the market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2022, there were 38 financial institutions operating 343 branches within the assessment area. Of these institutions, FCB ranked 9th with a 0.9 percent deposit market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2021, 583 lenders reported a total of 90,357 residential mortgage loans originated or purchased. FCB ranked 33rd out of this group of lenders, with a market share of 0.8 percent. The three most prominent home mortgage lenders (Huntington National Bank, Union Savings Bank, and JP Morgan Chase N.A.) accounted for 19.1 percent of total market share.

There is a moderate level of competition for small business loans. In 2021, 173 lenders reported a total of 37,663 small business loans originated or purchased. FCB ranked 23rd out of this group of lenders, with a market share of 0.5 percent. The three most prominent small business lenders (JP Morgan Chase N.A., American Express National Bank, and PNC Bank N.A.) accounted for 45.2 percent of total market share.

CONCLUSIONS ON PERFORMANCE CRITERIA IN COLUMBUS, OH MSA ASSESSMENT AREA

FCB demonstrated adequate performance under the Lending Test. The Borrower Profile, Lending Activity, and Community Development Lending performance supports this conclusion.

Lending Activity

The bank's lending levels reflect good responsiveness to the Columbus, OH MSA assessment area credit needs. During the review period, the bank originated 2,803 home mortgage, small business, and small farm loans totaling approximately \$888.1 million inside the assessment area. This total includes 2,194 home mortgage loans totaling approximately \$804.9 million, 606 small business loans totaling approximately \$82.8 million, and 3 small farm loans totaling approximately \$302,000. During the review period, the bank's home mortgage and small farm lending activity remained stable.

In 2020 small business lending in the form of PPP loans drastically increased, but has since declined. The bank was an active participating lender for the PPP program in 2020 and 2021, originating 472 loans totaling approximately \$78.0 million in the Columbus, OH MSA assessment area. This represents 6.9 percent by number and 11.5 percent by dollar volume for all PPP loans originated within the combined assessment area.

Geographic Distribution

The geographic distribution of loans reflects poor penetration throughout the assessment area. The bank's poor performance for home mortgage and adequate performance for small business lending supports this conclusion. Examiners focused on the percentage by number of loans in the low- and moderate-income census tracts.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects poor penetration throughout the assessment area. Examiner's compared the bank's home mortgage lending to demographic and aggregate lending data.

As shown in the following table, the geographic distribution of home mortgage loans in low-income census tracts was below aggregate lending and demographic data in 2021. In 2022, the bank decreased lending by number and percentage in the low-income census tracts. The geographic distribution of home mortgage loans in moderate-income census tracts was below aggregate lending and demographic data in 2021. In 2022, the bank increased lending by number and percentage in moderate-income census tracts, but performance remained significantly below demographic data.

Geographic Distribution of Home Mortgage Loans						
Assessment Area: First Commonwealth Columbus, OH MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	6.4	6.0	25	3.4	63,100	22.8
2022	5.9	--	19	2.8	8,099	2.8
Moderate						
2021	18.9	16.2	47	6.3	5,404	2.0
2022	15.6	--	51	7.6	5,602	2.0
Middle						
2021	28.8	26.7	187	25.1	33,644	12.1
2022	33.9	--	155	23.2	142,502	49.8
Upper						
2021	45.9	51.0	484	65.1	174,259	62.9
2022	44.2	--	438	65.7	129,310	45.2
Not Available						
2021	0.0	0.0	1	0.1	652	0.2
2022	0.3	--	4	0.6	717	0.3
Totals						
2021	100.0	100.0	744	100.0	277,059	100.0
2022	100.0	--	667	100.0	286,229	100.0
<i>Source 2015 ACS & 2020 U.S. Census; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

The geographic distribution of small business loans reflects adequate penetration throughout the assessment area. Examiners compared the bank's small business lending to demographic and aggregate lending data.

As shown in the following table, in 2021 the geographic distribution of small business loans in low-income census tracts is below both aggregate lending and demographic data. The percentage of lending in low-income census tracts increased in 2022, but is still below demographic data. In 2021 the geographic distribution of small business loans in moderate-income census tracts is below both aggregate lending and demographic data. The percentage of lending in moderate-income census tracts increased in 2022 and exceeds demographic data.

Geographic Distribution of Small Business Loans						
Assessment Area: First Commonwealth Columbus, OH MSA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	10.4	9.7	12	6.4	3,427	11.8
2022	9.3	--	5	7.1	1,198	8.4
Moderate						
2021	17.8	16.8	20	10.6	3,629	12.5
2022	15.6	--	12	17.1	3,839	27.0
Middle						
2021	24.9	23.3	51	27.1	7,400	25.6
2022	29.1	--	18	25.7	2,727	19.2
Upper						
2021	46.2	49.9	105	55.9	14,472	50.0
2022	44.4	--	35	50.0	6,435	45.3
Not Available						
2021	0.6	0.3	0	0.0	0	0.0
2022	1.6	--	0	0.0	0	0.0
Totals						
2021	100.0	100.0	188	100.0	28,928	100.0
2022	100.0	--	70	100.0	14,199	100.0
<i>Source 2021 & 2022 D&B Data; Bank Data; 2021 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Borrower Profile

The distribution of borrowers reflects adequate penetration among individuals of different income levels and businesses of different sizes in the assessment area. The bank's adequate performance of home mortgage lending and good performance of small business lending supports this conclusion. Examiners focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers. Examiners also focused on the percentage by number of small business loans to businesses with GARs of \$1.0 million or less.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers is adequate. Examiners compared the bank's home mortgage lending to demographic and aggregate lending data.

As shown in the following table, the distribution of home mortgage loans to low-income borrowers is below aggregate lending and demographic data in 2021. In 2022, the bank's level of lending activity to low-income borrowers slightly increased. Although the bank's level of lending activity is below the demographics, a low-income family in the assessment area, with an income less than \$84,088, would not likely qualify for a mortgage under conventional underwriting standards, especially considering the median housing value of \$205,370. In 2021, the distribution of home

mortgage loans to moderate-income borrowers is below aggregate lending and demographic data. Although the number of home mortgage loans originated decreased in 2022, the percentage of loans is consistent with 2021 levels and remains below demographics.

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: First Commonwealth Columbus, OH MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	22.5	6.8	31	4.2	2,424	0.9
2022	22.2	--	35	5.2	2,897	1.0
Moderate						
2021	16.6	17.5	92	12.4	13,131	4.7
2022	16.7	--	83	12.4	7,890	2.8
Middle						
2021	18.5	19.5	136	18.3	25,367	9.2
2022	19.5	--	137	20.5	20,588	7.2
Upper						
2021	42.4	39.9	457	61.4	145,717	52.6
2022	41.5	--	379	56.8	98,868	34.5
Not Available						
2021	0.0	16.3	28	3.8	90,421	32.6
2022	0.0	--	33	4.9	155,987	54.5
Totals						
2021	100.0	100.0	744	100.0	277,059	100.0
2022	100.0	--	667	100.0	286,229	100.0
<i>Source 2015 ACS & 2020 U.S. Census; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

The distribution of small business loans reflects good penetration of loans to businesses with GARs less than or equal to \$1.0 million. Examiners compared the bank’s small business lending to demographic and aggregate lending data.

As shown in the following table, the bank’s performance of lending to businesses with GARs less than or equal to \$1.0 million exceeds aggregate lending data in 2021; however, the bank’s performance is below demographics. Although the number of small business loans originated decreased, the percentage of loans originated to businesses with GARs less than or equal to \$1.0 million remains consistent in 2022.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Assessment Area: First Commonwealth Columbus, OH MSA						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2021	83.9	44.9	103	54.8	10,662	36.9
2022	91.6	--	41	58.6	9,046	63.7
>\$1,000,000						
2021	5.0	--	68	36.2	16,710	57.8
2022	2.5	--	27	38.6	5,133	36.2
Revenue Not Available						
2021	11.1	--	17	9.0	1,556	5.4
2022	5.9	--	2	2.9	20	0.1
Totals						
2021	100.0	100.0	188	100.0	28,928	100.0
2022	100.0	--	70	100.0	14,199	100.0
<i>Source 2021 & 2022 D&B Data; Bank Data; 2021 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Innovative or Flexible Lending Practices

FCB makes extensive use of innovative and flexible lending practices to address the credit needs of low- and moderate-income individuals and geographies throughout the assessment area.

Community Development Loans

FCB is a leader in making community development loans in the Columbus, OH MSA assessment area. During the review period, FCB originated 21 community development loans totaling \$52.5 million. The number and dollar volume of community development loans is similar to the previous evaluation where examiners rated FCB as a leader. FCB's prior evaluation included 13 community development loans totaling approximately \$55.6 million. In addition, examiners noted a comparable bank that made four community development loans totaling \$33.6 million in the Columbus, OH MSA assessment area. Examiners considered this bank to have made a relatively high level of community development loans. The following table illustrates the bank's community development lending activity in the Columbus, OH MSA assessment area by activity year and by community development purpose.

Community Development Lending in the Columbus, OH MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
3/23/2020 – 12/31/2020	2	23,880	6	5,086	0	0	0	0	8	28,966
2021	4	1,113	2	149	1	1,075	0	0	7	2,337
2022	2	328	1	235	2	15,000	1	5,650	6	21,213
1/1/2023 – 3/22/2023	0	0	0	0	0	0	0	0	0	0
Total	8	25,321	9	5,470	3	16,075	1	5,650	21	52,516
<i>Source Bank Data</i>										

The following originations are a sample of community development loans made to organizations and corporations that benefit the Columbus, OH MSA assessment area.

- In July 2020, the bank originated a \$7.9 million loan to an area developer to construct a 60 unit multifamily affordable housing complex. As the project is targeting 100 percent low- and moderate-income individuals and families, a categorical tiered income system will be in place to ensure equitable distribution of available units; accordingly, households must have earnings at either 30, 50, 60, or a maximum of 70 percent of area median income.
- In December 2022, the bank originated one loan for \$5.6 million to an area development group that realizes revitalization efforts in a low-income census tract and Opportunity Zone designated by the City of Columbus. The project is part of a redevelopment plan through the Partners Achieving Community Transformation (via Ohio State University), and the Columbus Metropolitan Housing Authority. Additionally, the project expects to construct at least 24-units targeted to low- and moderate-income persons or families.

INVESTMENT TEST

FCB demonstrated adequate performance under the Investment Test. The sections below discuss the bank’s performance under each criterion.

Investment and Grant Activity

FCB has an adequate level of qualified community development investments and donations in the Columbus, OH MSA assessment area. FCB made three new qualified investments for \$1.4 million, maintained ten equity investments totaling \$4.0 million, and made 63 donations totaling \$253,000 that specifically benefit the Columbus, OH MSA assessment area. The following table illustrates the bank’s qualified investments by community development purpose.

Qualified Investments in the Columbus, OH MSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	7	1,489	0	0	3	2,514	0	0	10	4,003
3/23/2020 – 12/31/2020	0	0	0	0	0	0	0	0	0	0
2021	1	996	0	0	2	375	0	0	3	1,371
2022	0	0	0	0	0	0	0	0	0	0
1/1/2023 – 3/22/2023	0	0	0	0	0	0	0	0	0	0
Subtotal	8	2,485	0	0	5	2,889	0	0	13	5,374
Qualified Grants & Donations	6	27	57	226	0	0	0	0	63	253
Total	14	2,512	57	226	5	2,889	0	0	76	5,627
<i>Source Bank Data</i>										

Below are some notable examples of the bank’s qualified investments and donations.

Prior Period Investments

- The bank continues to hold five MBSs totaling \$816,000 in support of affordable housing efforts throughout the Columbus, OH MSA assessment area.
- FCB maintains an equity investment of \$415,000 in the Ohio Capital Corporation for Housing, which proceeds are for the Ohio Equity Fund for Housing. The fund expects to provide over 3,000 units of affordable housing through 42 various projects.
- FCB maintains an equity investment of \$259,000 in the Affordable Housing Trust for Columbus and Franklin County, which proceeds are for the Housing Action Fund. The fund supports over 2,000 units of affordable housing through 21 various projects.

New Investments

- The bank made two significant investments totaling \$375,000 in 2021 to a Columbus based CDFI, the Economic & Community Development Institute (ECDI). ECDI is a SBA microloan intermediary, a certified Community Development Corporation, and a Treasury-designated Community Development Financial Institution. While ECDI provides SBA lending targeting historically disadvantaged groups and areas, they also provide education, mentorship, and additional resources to include a Women’s Business Center.
- FCB continued their commitment to funding affordable housing projects with a new equity investment of \$996,000 in the Ohio Capital Corporation for Housing, which proceeds are for the Ohio Equity Fund for Housing.

Responsiveness to Credit and Community Development Needs

FCB exhibits adequate responsiveness to credit and community economic development needs throughout the Columbus, OH MSA assessment area. Management directed the majority of the bank’s investments and grants, by number and dollar amount, to affordable housing, which examiners noted as one of the primary needs of the community.

Community Development Initiatives

The bank occasionally uses innovative and/or complex investments to support community development initiatives. FCB's investments primarily include MBSs and various tax credit programs.

SERVICE TEST

FCB demonstrated good performance under the Service Test. The following sections discuss the bank's performance under each criterion.

Accessibility of Delivery Systems

The bank's delivery systems are reasonably accessible to essentially all portions of the institution's assessment area. FCB serves the Columbus, OH MSA assessment area with 10 branches and 11 full-service ATMs. The following table details the bank's branching and ATM distribution.

Branch and ATM Distribution by Geography Income Level in the Columbus, OH MSA								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	57	15.5	174,381	11.3	0	0.0	0	0.0
Moderate	81	22.0	304,683	19.8	1	10.0	1	9.1
Middle	107	29.1	483,810	31.5	1	10.0	1	9.1
Upper	115	31.2	548,444	35.7	8	80.0	9	81.8
NA	8	2.2	26,613	1.7	0	0.0	0	0.0
Total	368	100.0	1,537,931	100.0	10	100.0	11	100.0

Source 2020 U.S. Census & Bank Data

As shown in the previous table, the bank does not have any branches in the low-income census tracts and 10.0 percent in the moderate-income census tract, both of which are below the census tract and population distribution. The branch distribution and alternative delivery systems for the Columbus, OH MSA assessment area are consistent with the institution overall. Alternative banking services such as ATMs, telephone banking, online banking, and mobile banking are available to increase accessibility of retail banking services.

Changes in Branch Locations

To the extent changes have been made, FCB's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and low- and moderate-income individuals. The following table shows the net changes in branch locations from openings, closings, and the effects of the 2020 U.S. Census.

Net Distribution of Branch Openings/Closings							
Assessment Area	# of Branch Openings	# of Branch Closings	Income Level of Census Tract (+/-)				
			Low	Moderate	Middle	Upper	NA
Columbus, OH MSA	0	6	-1	1	-7	1	0
Total	0	6	-1	1	-7	1	0

The bank did not open any branches within the Columbus, OH MSA during the review period. FCB relocated one branch during the review period. Specifically, the Whitehall branch relocated from 4300 East Broad Street to 51 S. Hamilton Road, Whitehall OH, about 1 mile away. Both locations are in the same moderate-income census tract. As detailed below, on December 11, 2020 the bank closed six branches within the Columbus, OH MSA assessment area.

Branch closings in the Columbus, OH MSA Assessment Area			
Branch Name	Address	City	CT Income Level
Ashley	2 West High Street	Ashley	Middle
Willow Brook	100 Willow Brook Way South	Delaware	Middle
Willow Brook 2	100 Delaware Crossing West	Delaware	Middle
Lewis Center Drive-Thru	34 Evergreen Avenue	Lewis Center	Middle
Sedalia	13760 Main Street Southwest	Sedalia	Middle
Polaris	1942 Polaris Parkway	Columbus	Upper
<i>Source Bank Data</i>			

Bank management closed the branches because they noted a substantial shift in how customers choose to bank. Customers are doing significantly fewer in-branch transactions and are conducting more digital, mobile, or online transactions. The accessibility of alternative delivery systems, the close proximity of other FCB locations, and the close proximity of other financial institution branches limits the impact on low- and moderate-income individuals.

Reasonableness of Business Hours and Services

Services and business hours do not vary in a way that inconveniences portions of the assessment area, particularly low- and moderate-income geographies and low- and moderate-income individuals. Branch hours are generally consistent at each location with hours from 9:00 A.M. to 5:00 P.M. Monday through Friday and six of the branches, including the branch located in a moderate-income census tract are open 9:00 A.M. to 12:00 P.M. on Saturday.

Community Development Services

The bank provides a relatively high level of community development services in the Columbus, OH MSA. The bank provided 960 hours of financial education to local community development-related organizations, and low- and moderate-income individuals. This is a decrease from the 1,330 hours during the previous evaluation period; however, examiners recognize the impact of the COVID-19 pandemic on many financial institutions' and community development organizations' ability to operate or provide services at the level of the previous evaluation. The following table illustrates the bank's community development service hours by year and community development purpose.

Community Development Services in the Columbus, OH MSA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
3/23/2020 – 12/31/2020	4	109	83	0	196
2021	33	168	17	0	218
2022	38	464	20	0	522
1/1/2023 – 3/22/2023	5	21	0	0	26
Total	80	762	120	0	962
<i>Source Bank Data</i>					

The following are notable examples of the bank’s community development services:

- During the review period the bank provided nearly 300 hours of financial education directed to low- and moderate-income individuals, or students.
- During the review period, one employee served as a member of the Board of Directors, as well as served as the Finance Committee Chair for a local Health Care Center providing long term and short term care to primarily recipients of Medicaid.

CLEVELAND-AKRON-CANTON, OH CSA ASSESSMENT AREA – Full-Scope Review

DESCRIPTION OF INSTITUTION’S OPERATIONS IN CLEVELAND-AKRON-CANTON, OH CSA ASSESSMENT AREA

Economic and Demographic Data

Since the last evaluation, this assessment area has changed. This assessment area includes Stark and Ashtabula Counties. Stark County comprises a portion of the Canton-Massillon, OH MSA, while Ashtabula County is a Non-MSA. These counties are part of the Cleveland-Akron-Canton, OH CSA. At the prior CRA evaluation FCB also designated Portage and Summit (Akron, OH MSA) and Carroll (Canton-Massillon, OH MSA) Counties, but removed the counties as there was no branch presence. The bank currently operates 10 branches in the Cleveland-Akron-Canton, OH CSA assessment area, 3 less than the prior CRA evaluation. The bank’s operations in the Cleveland-Akron-Canton, OH CSA assessment area represent 7.7 percent of total in-assessment area lending by number, 11.6 percent of total deposits, and 8.4 percent of total branches. There were no designated disaster areas that impacted the Cleveland-Akron-Canton, OH CSA assessment area nor does Ashtabula County have any underserved or distressed middle-income census tracts.

The Cleveland-Akron-Canton, OH CSA assessment area includes 119 census tracts. The tracts reflect the following income designations according to 2020 U.S. Census data:

- 8 low-income tracts;
- 26 moderate-income tracts;
- 61 middle-income tracts;
- 23 upper-income tracts; and,
- 1 census tract with no income designation.

The 2020 U.S. Census data included changes in census tract boundaries and income categories. Since the 2010 U.S. Census, total census tracts increased from 112 to 119. Furthermore, U.S. Census changes showed a decrease in low-income census tracts from 9 to 8 and an increase in moderate-income census tracts from 20 to 23.

The following table illustrates select demographic characteristics of the Cleveland-Akron-Canton, OH CSA assessment area.

Demographic Information of the Assessment Area						
Assessment Area: First Commonwealth Cleveland-Akron-Canton, OH CSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	119	6.7	21.8	51.3	19.3	0.8
Population by Geography	472,427	5.3	18.0	53.7	23.0	0.0
Housing Units by Geography	213,219	5.7	19.7	53.9	20.7	0.0
Owner-Occupied Units by Geography	132,689	2.8	14.6	56.9	25.7	0.0
Occupied Rental Units by Geography	60,247	10.7	27.8	47.3	14.1	0.0
Vacant Units by Geography	20,283	9.8	28.6	53.6	8.0	0.0
Businesses by Geography	59,330	3.2	13.0	40.4	43.4	0.0
Farms by Geography	1,775	1.6	8.6	53.1	36.6	0.0
Family Distribution by Income Level	122,790	20.5	18.9	21.9	38.7	0.0
Household Distribution by Income Level	192,936	24.7	16.4	18.4	40.5	0.0
Median Family Income MSA - 15940 Canton-Massillon, OH MSA		\$70,028	Median Housing Value			\$128,965
Median Family Income Non-MSAs - OH		\$66,684	Median Gross Rent			\$732
			Families Below Poverty Level			10.6%
<i>Source 2020 U.S. Census and 2022 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

There are 213,219 housing units. Of these, 62.2 percent are owner-occupied, 28.3 percent are occupied rental units, and 9.5 percent are vacant. The Geographic Distribution criterion compares home mortgage loans to the distribution of owner-occupied housing units. There are no owner-occupied housing units in the census tracts without an income designation.

Examiners used the 2021 and 2022 FFIEC-updated MFI to analyze home mortgage loans under the Borrower Profile criterion. The following table presents the low-, moderate-, middle-, and upper-income categories.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Canton-Massillon, OH MSA Median Family Income (15940)				
2020 (\$69,500)	<\$34,750	\$34,750 to <\$55,600	\$55,600 to <\$83,400	≥\$83,400
2021 (\$68,900)	<\$34,450	\$34,450 to <\$55,120	\$55,120 to <\$82,680	≥\$82,680
OH NA Median Family Income (99999)				
2020 (\$63,400)	<\$31,700	\$31,700 to <\$50,720	\$50,720 to <\$76,080	≥\$76,080
2021 (\$64,700)	<\$32,350	\$32,350 to <\$51,760	\$51,760 to <\$77,640	≥\$77,640
<i>Source FFIEC</i>				

According to 2022 D&B data, there were 59,330 businesses. The following are the GARs for these businesses.

- 91.3 percent have \$1.0 million or less.
- 2.7 percent have more than \$1.0 million.
- 6.0 percent have unknown revenues.

Non-classifiable establishments represent the largest portion of businesses at 33.6 percent; followed by service industries (28.5 percent); and finance, insurance, and real estate (10.4 percent). In addition, 54.6 percent of area businesses have four or fewer employees, and 93.9 percent operate from a single location.

The following table details the unemployment data from the U.S. Bureau of Labor Statistics for the assessment area and related areas. The table presents U. S. Bureau of Labor and Statistics data for December 2020, 2021, and 2022. Unemployment rose steeply during April 2020 and remained high through June 2020 due to the COVID-19 pandemic. For the majority of the review period unemployment rates generally trended downward.

Unemployment Rates for Cleveland-Akron-Canton, OH CSA			
Area	2020	2021	2022
	%	%	%
Stark County, OH	5.9	3.6	3.8
Ashtabula County, OH	6.6	4.1	4.3
Ohio	5.9	3.5	3.5
National Average	6.7	3.9	3.5
<i>Source Bureau of Labor Statistics</i>			

Competition

The assessment area is competitive in the market for financial services. According to the FDIC Deposit Market Share data as of June 30, 2022, there were 21 financial institutions operating 112 branches within the assessment area. Of these institutions, FCB ranked 4th with an 8.7 percent deposit market share.

There is a high level of competition for home mortgage loans among banks, credit unions, and non-depository mortgage lenders. In 2021, 350 lenders reported a total of 21,504 residential mortgage loans originated or purchased. FCB ranked 9th out of this group of lenders, with a market share of 2.8 percent. The three most prominent home mortgage lenders (Huntington National Bank, Rocket Mortgage, and CrossCountry Mortgage, LLC) accounted for 28.6 percent of total market share.

There is a moderate level of competition for small business loans. In 2021, 102 lenders reported a total of 8,212 small business loans originated or purchased. FCB ranked 11th out of this group of lenders, with a market share of 2.6 percent. The three most prominent small business lenders (American Express National Bank, JP Morgan Chase Bank N.A., and The Huntington National Bank) accounted for 40.9 percent of total market share.

Community Contacts

As part of the evaluation process, examiners contact third parties within the assessment area to gain insight on local economic conditions, credit needs, area challenges, and opportunities. This information can also help determine if banks in the area are responsive to the needs of the community. It also shows what credit and community development opportunities are available.

Examiners contacted a local community action agency. The organization's primary focus is workforce development and providing direct assistance in the efforts to make low- and moderate-income individuals and families self-sufficient. The contact sees an immediate community need to focus efforts exclusively on adult financial education, particularly for those individuals with troubled credit histories needing guidance to rehabilitate their credit standing among reporting agencies. Furthermore, the need for affordable housing is a prevalent issue. The contact states there are innovative opportunities to rezone and repurpose vacant commercial space into affordable housing, as well as provide credit to homeowners in an effort to rehabilitate current housing stock fallen into disrepair. Finally, the contact identifies a lack of quality sustenance providers, also known as food deserts, in low- and moderate-income areas. The contact finds a relationship between those communities lacking consistent and affordable quality sustenance as being an area in decline since grocers tend to be anchor points in a community, mitigating community health concerns and residential flight.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, the effects of the COVID-19 pandemic, and the demographic and economic data, examiners determined that community service activities that focus on financial education and affordable home mortgage loans represent the primary credit need of the bank's assessment area. Additionally, small business loans remain in high demand, as supported by the significant percentage of businesses with GARs of \$1.0 million or less.

CONCLUSIONS ON PERFORMANCE CRITERIA IN CLEVELAND- AKRON-CANTON, OH CSA ASSESSMENT AREA

FCB demonstrated adequate performance under the Lending Test. The Lending Activity, Borrower Profile, and Community Development Lending performance supports this conclusion.

Lending Activity

The bank's lending levels reflect adequate responsiveness to the Cleveland-Akron-Canton, OH CSA assessment area credit needs. During the review period, the bank originated 2,509 home mortgage, small business, and small farm loans totaling approximately \$307.25 million inside the assessment area. These totals include 1,835 home mortgage loans totaling approximately \$251.7 million, 671 small business loans totaling approximately \$55.4 million, and 3 small farm loans for \$57,000. During the review period, the bank's home mortgage and small farm lending activity remained stable.

In 2020 small business lending in the form of PPP loans drastically increased, but has since declined. The bank was an active participating lender for the PPP program in 2020 and 2021, originating 520 loans totaling approximately \$24.8 million in the Cleveland-Akron-Canton, OH CSA assessment area. This represents 7.6 percent by number and 5.4 percent by dollar volume for all PPP loans originated within the combined assessment area.

Geographic Distribution

The geographic distribution of loans reflects adequate penetration throughout the assessment area. The bank's adequate performance for home mortgage and poor performance for small business lending supports this conclusion. Examiners focused on the percentage by number of loans in the low- and moderate-income census tracts.

Home Mortgage Loans

The geographic distribution of home mortgage loans reflects adequate penetration throughout the assessment area. Examiner's compared the bank's home mortgage lending to demographic and aggregate lending data.

As shown in the following table, the geographic distribution of home mortgage loans in low-income census tracts was similar to aggregate lending data in 2021, but was below demographic data. In 2022, the bank's level of lending activity increased in low-income census tracts and is similar to demographic data. The geographic distribution of home mortgage loans in moderate-income census tracts was below aggregate lending and demographic data in 2021. The bank's level of lending activity in moderate-income census tracts increased in 2022, but remains below demographic data. The increasing lending activity from 2021 to 2022 for both low- and moderate-income census tracts supports the adequate rating.

Geographic Distribution of Home Mortgage Loans						
Assessment Area: First Commonwealth Cleveland-Akron-Canton, OH CSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	2.9	1.1	6	1.0	279	0.3
2022	2.8	--	15	2.4	620	0.8
Moderate						
2021	13.0	8.8	34	5.6	2,635	3.0
2022	14.6	--	66	10.7	5,541	7.0
Middle						
2021	66.8	67.6	391	64.3	53,614	60.0
2022	56.9	--	318	51.4	37,982	48.2
Upper						
2021	17.2	22.4	176	28.9	32,750	36.7
2022	25.7	--	220	35.5	34,616	44.0
Not Available						
2021	0.0	0.0	1	0.2	35	0.0
2022	0.0	--	0	0.0	0	0.0
Totals						
2021	100.0	100.0	608	100.0	89,315	100.0
2022	100.0	--	619	100.0	78,757	100.0
<i>Source 2015 ACS & 2020 U.S. Census; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

The geographic distribution of small business loans reflects poor penetration throughout the assessment area. Examiners compared the bank's small business lending to demographic and aggregate lending data.

As shown in the following table, the geographic distribution of small business loans in low-income census tracts was below both aggregate lending and demographic data in 2021. The bank's percentage of lending in low-income census tracts in 2022 was similar to 2021. The geographic distribution of small business loans in moderate-income census tracts also was below both aggregate lending and demographic data in 2021. Furthermore, the bank's level of lending activity in moderate-income census tracts decreased in 2022 and was significantly below demographic data. Branches are located in close proximity to low- and moderate-income census tracts, which further supports the poor rating.

Geographic Distribution of Small Business Loans						
Assessment Area: First Commonwealth Cleveland-Akron-Canton, OH CSA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	4.4	4.5	4	1.9	915	6.0
2022	3.2	--	1	2.0	88	1.1
Moderate						
2021	12.2	10.2	13	6.1	1,151	7.5
2022	13.0	--	2	4.1	125	1.5
Middle						
2021	62.9	61.6	132	62.3	10,289	67.2
2022	40.4	--	27	55.1	4,944	60.3
Upper						
2021	18.4	22.2	50	23.6	2,502	16.3
2022	43.4	--	19	38.8	3,041	37.1
Not Available						
2021	2.1	1.5	13	6.1	455	3.0
2022	0.0	--	0	0.0	0	0.0
Totals						
2021	100.0	100.0	212	100.0	15,312	100.0
2022	100.0	--	49	100.0	8,198	100.0
<i>Source 2021 & 2022 D&B Data; Bank Data; 2021 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Borrower Profile

The distribution of borrowers reflects adequate penetration among individuals of different income levels and businesses of different sizes in the assessment area. The bank's adequate performance of home mortgage and good performance of small business lending supports this conclusion. Examiners focused on the percentage by number of home mortgage loans to low- and moderate-income borrowers. Examiners also focused on the percentage by number of small business loans to businesses with GARs of \$1.0 million or less.

Home Mortgage Loans

The distribution of home mortgage loans to individuals of different income levels, including low- and moderate-income borrowers is adequate. Examiners compared the bank's home mortgage lending to demographic and aggregate lending data.

As shown in the following table, the distribution of home mortgage loans to low-income borrowers was below aggregate lending and demographic data in 2021. In 2022, the bank's level of lending activity to low-income borrowers significantly increased. Although the bank's level of lending activity is below the demographics, a low-income family in the assessment area, with an income less than \$70,028, would not likely qualify for a mortgage under conventional underwriting standards, especially considering the median housing value of \$128,965. In 2021, the distribution of home mortgage loans to moderate-income borrowers was below aggregate lending and

demographic data. However, the bank’s level of 2022 lending activity to moderate-income borrowers significantly increased and exceeds demographic data. The increasing lending activity from 2021 to 2022 for both low- and moderate-income census tracts supports the adequate rating.

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: First Commonwealth Cleveland-Akron-Canton, OH CSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	20.4	8.3	37	6.1	2,105	2.4
2022	20.5	--	68	11.0	4,020	5.1
Moderate						
2021	19.0	20.2	109	17.9	9,125	10.2
2022	18.9	--	157	25.4	12,653	16.1
Middle						
2021	22.0	22.7	144	23.7	17,935	20.1
2022	21.9	--	153	24.7	16,053	20.4
Upper						
2021	38.7	33.2	300	49.3	55,861	62.5
2022	38.7	--	222	35.9	41,615	52.8
Not Available						
2021	0.0	15.5	18	3.0	4,289	4.8
2022	0.0	--	19	3.1	4,416	5.6
Totals						
2021	100.0	100.0	608	100.0	89,315	100.0
2022	100.0	--	619	100.0	78,757	100.0
<i>Source 2015 ACS & 2020 U.S. Census; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

The distribution of small business loans reflects good penetration of loans to businesses with GARs less than or equal to \$1.0 million. Examiners compared the bank’s small business lending to demographic and aggregate lending data.

As shown in the following table, the bank’s performance of lending to businesses with GARs less than or equal to \$1.0 million exceeds aggregate lending data; however, the bank’s performance is below demographics. The volume of small business lending significantly decreased in 2022; however, the percentage of small business loans to businesses with GARs less than or equal to \$1.0 million remains consistent.

Distribution of Small Business Loans by Gross Annual Revenue Category						
Assessment Area: First Commonwealth Cleveland-Akron-Canton, OH CSA						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2021	82.2	48.5	138	65.1	6,700	43.8
2022	91.3	--	33	67.3	5,107	62.3
>\$1,000,000						
2021	5.7	--	49	23.1	6,899	45.1
2022	2.7	--	16	32.7	3,091	37.7
Revenue Not Available						
2021	12.0	--	25	11.8	1,713	11.2
2022	6.0	--	0	0.0	0	0.0
Totals						
2021	100.0	100.0	212	100.0	15,312	100.0
2022	100.0	--	49	100.0	8,198	100.0
<i>Source 2021 & 2022 D&B Data; Bank Data; 2021 CRA Aggregate Data; "--" data not available.</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						

Innovative or Flexible Lending Practices

FCB makes extensive use of innovative and flexible lending practices to address the credit needs of low- and moderate-income individuals and geographies throughout the assessment area. The Fix It Funds program is specific to the Cleveland-Akron-Canton, OH CSA assessment area.

Community Development Loans

FCB has made an adequate level of community development loans in the Cleveland-Akron-Canton, OH CSA assessment area. During the review period, FCB originated eight community development loans totaling \$3.1 million. The dollar volume of community development loans decreased since the previous evaluation and in a similar period of time. FCB's prior evaluation included eight community development loans totaling approximately \$8.9 million. The following table illustrates the bank's community development lending activity in the Cleveland-Akron-Canton, OH CSA assessment area by activity year and by community development purpose.

Community Development Lending in the Cleveland-Akron-Canton, OH CSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
3/23/2020 – 12/31/2020	0	0	4	513	0	0	1	1,739	5	2,252
2021	2	597	0	0	0	0	0	0	2	597
2022	1	217	0	0	0	0	0	0	1	217
1/1/2023 – 3/22/2023	0	0	0	0	0	0	0	0	0	0
Total	3	814	4	513	0	0	1	1,739	8	3,066
<i>Source Bank Data</i>										

A notable instance of community development lending in the Cleveland-Akron-Canton, OH CSA assessment area includes a \$300,000 line of credit in 2020 to an essential community service organization to manage grant and funding gaps for continuity of operations. The mission of this particular non-profit organization is to promote economic self-sufficiency among low-income families and individuals within the area. The organization achieves this through workforce development programs, energy assistance programs, and a Head Start program which provides pre-school health and educational opportunities to those in need.

INVESTMENT TEST

FCB demonstrated adequate performance under the Investment Test. The following sections discuss the bank’s performance under each criterion.

Investment and Grant Activity

FCB has an adequate level of qualified community development investments and donations in the Cleveland-Akron-Canton, OH CSA assessment area. FCB made 8 qualified investments and 28 donations totaling \$6.9 million. This total included 3 new qualified investments for \$6.1 million, 5 outstanding equity investments totaling \$654,000, and 28 donations totaling \$105,000 that specifically benefit the Cleveland-Akron-Canton, OH CSA assessment area. The following table illustrates the bank’s qualified investments by community development purpose.

Qualified Investments in the Cleveland-Akron-Canton, OH CSA										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	5	654	0	0	0	0	0	0	5	654
3/23/2020 – 12/31/2020	0	0	0	0	0	0	0	0	0	0
2021	2	5,975	0	0	1	125	0	0	3	6,100
2022	0	0	0	0	0	0	0	0	0	0
1/1/2023 – 3/22/2023	0	0	0	0	0	0	0	0	0	0
Subtotal	7	6,629	0	0	1	125	0	0	8	6,754
Qualified Grants & Donations	3	8	25	97	0	0	0	0	28	105
Total	10	6,637	25	97	1	125	0	0	36	6,859

Source Bank Data

The following are additional notable examples of the bank’s qualified investments and donations.

Prior Period Investments

- The bank continues to hold four MBSs for a total of \$239,000 in support of affordable housing efforts throughout the Cleveland-Akron-Canton, OH CSA assessment area.
- FCB maintains an equity investment of \$415,000 in the Ohio Capital Corporation for Housing, which proceeds are for the Ohio Equity Fund for Housing. The fund expects to provide over 3,000 units of affordable housing through 42 various projects.

New Investments

- FCB continued their commitment to funding affordable housing projects with two new equity investments totaling \$5.9 million in the Ohio Capital Corporation for Housing, which proceeds are for the Ohio Equity Fund for Housing. This investment contributed to the OCCH initiative of having created 55,000 affordable housing units via 935 developments throughout all Ohio counties, with more than 120 developments occurring within the assessment area. These projects are representative of a sustained private equity funding effort since 2002 used in the best collective initiative to solve affordable housing problems.
- The bank made an investment of \$125,000 in 2021 to the ECDI. ECDI is a SBA microloan intermediary, a certified Community Development Corporation, and a Treasury-designated Community Development Financial Institution. While ECDI provides SBA lending targeting historically disadvantaged groups and areas, they also provide education, mentorship, and additional resources to include a Women's Business Center.

Responsiveness to Credit and Community Development Needs

FCB exhibits adequate responsiveness to credit and community economic development needs throughout the Cleveland-Akron-Canton, OH CSA assessment area. Management directed the majority of the bank's investments and grants, by number and dollar amount, to affordable housing, which examiners noted as one of the primary needs of the community.

Community Development Initiatives

The bank occasionally uses innovative and/or complex investments to support community development initiatives. FCB's investments primarily include MBSs and various tax credit programs.

SERVICE TEST

FCB demonstrated good performance under the Service Test. The sections below discuss the bank's performance under each criterion.

Accessibility of Delivery Systems

The bank's delivery systems are reasonably accessible to essentially all portions of the institution's assessment area. FCB serves the Cleveland-Akron-Canton, OH CSA assessment area with ten branches and full-service ATMs. The following table details the bank's branching and ATM distribution.

Branch and ATM Distribution by Geography Income Level in the Cleveland-Akron-Canton, OH CSA								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	8	6.7	25,054	5.3	0	0.0	0	0.0
Moderate	26	21.8	84,996	18.0	2	20.0	2	20.0
Middle	61	51.3	253,496	53.7	5	50.0	5	50.0
Upper	23	19.3	108,881	23.0	3	30.0	3	30.0
NA	1	0.8	0	0.0	0	0.0	0	0.0
Total	119	100.0	472,427	100.0	10	100.0	10	100.0

Source 2020 U.S. Census & Bank Data

As shown in the previous table, the bank has no branches in a low-income census tract and two branches (20.0 percent) in moderate-income census tracts. The percentage of branches in low-income census tracts is below the census tract and population distribution. However, the percentage of branches in moderate-income census tracts is similar to the population distribution. One of the two branches located in a moderate-income census tract, abuts a low-income census tract. In addition, another branch is within four miles of several low-income tracts. The branch distribution and alternative delivery systems for the Cleveland-Akron-Canton, OH CSA assessment area are consistent with the institution overall. Alternative banking services such as ATMs, telephone banking, online banking, and mobile banking are available to increase accessibility of retail banking services.

Changes in Branch Locations

To the extent changes have been made, FCB’s record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and low- and moderate-income individuals. The following table shows the net changes in branch locations from openings, closings, and the effects of the 2020 U.S. Census.

Net Distribution of Branch Openings/Closings							
Assessment Area	# of Branch Openings	# of Branch Closings	Income Level of Census Tract (+/-)				
			Low	Moderate	Middle	Upper	NA
Cleveland-Akron-Canton CSA	0	3	0	0	-3	1	-1
Total	0	3	0	0	-3	1	-1

The bank did not open or relocate any branches within the Cleveland-Akron-Canton, OH CSA during the review period. As the following table details, the bank closed three branches during the review period.

Branch closings in the in the Cleveland-Akron-Canton, OH CSA Assessment Area				
Branch Name	Address	City	CT Income Level	Date Closed
East 62	3100 Atlantic Boulevard NE	Canton	Moderate	12/11/2020
Jefferson	22 W Jefferson Street	Jefferson	Middle	12/11/2020
Central Plaza	100 Central Plaza South	Canton	NA	11/24/2021
<i>Source Bank Data</i>				

Bank management closed the branches because they noted a substantial shift in how customers choose to bank. Customers are doing significantly fewer in-branch transactions and are conducting more digital, mobile, or online transactions. The accessibility of alternative delivery systems, the close proximity of other FCB locations, and the close proximity of other financial institution branches limits the impact on low- and moderate-income individuals.

Reasonableness of Business Hours and Services

Services and business hours do not vary in a way that inconveniences portions of the assessment area, particularly low- and moderate-income geographies and low- and moderate-income individuals. Branch hours are generally consistent at each location with hours from 9:00 A.M. to 5:00 P.M. Monday through Friday and both branches located in moderate-income census tracts are open 9:00 A.M. to 12:00 P.M. on Saturday.

Community Development Services

The bank provides a significant level of community services in the Cleveland-Akron-Canton, OH CSA. The bank provided 735 hours of financial education to local community development-related organizations, and low- and moderate-income individuals. This is an increase from the 404 hours provided during the previous evaluation period. This is notable because examiners recognize the adverse impact of the COVID-19 pandemic on many financial institutions' and community development organizations' ability to operate or provide services at the level of the previous evaluation. The following table illustrates the bank's community development service hours by year and community development purpose.

Community Development Services in the Cleveland-Akron-Canton, OH CSA					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
3/23/2020 – 12/31/2020	0	146	52	0	198
2021	4	83	99	0	186
2022	14	183	99	0	296
1/1/2023 – 3/22/2023	6	44	6	0	56
Total	24	456	256	0	736
<i>Source Bank Data</i>					

The following are notable examples of the bank's community development services:

- During the review period, one employee served on the Board of Directors as well as the treasurer of a local community action agency, whose goal is to provide services to low-income

individuals to promote financial self-sufficiency.

- During the review period, one employee served as a member of the Board of Directors for a city investment board, which is responsible for reviewing and making recommendations for investments and ensure proper use of products and services offered by the city.

OTHER ASSESSMENT AREAS – Limited-Scope Review

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE LIMITED- SCOPE ASSESSMENT AREAS

LENDING TEST

Assessment Area	Lending Test	Investment Test	Service Test
Cincinnati, OH MSA	Consistent	Consistent	Consistent

Cincinnati, OH MSA

The Cincinnati, OH MSA assessment area represents the bank’s presence in Clermont and Hamilton Counties. The following table shows loan, investment, and service activity within the Cincinnati, OH MSA assessment area. Lending activity is from 2020 through 2022, while community development activity is from March 23, 2020 through March 22, 2023.

Activity	#	\$
Home Mortgage Loans	269	78.5
Small Business Loans	167	24.0
Small Farm Loans	0	0
Community Development Loans	10	13,943
Investments (New)	0	0
Investments (Prior Period)	2	2,021
Donations	18	33
CD Services	264	-
<i>Source Bank Data</i>		

Geographic Distribution

Home Mortgage Loans

Geographic Distribution of Home Mortgage Loans						
Assessment Area: First Commonwealth Cincinnati, OH MSA						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	4.8	4.5	3	2.7	981	3.4
2022	4.3	--	0	0.0	0	0.0
Moderate						
2021	17.7	16.4	17	15.5	2,535	8.9
2022	23.0	--	19	26.4	2,938	10.6
Middle						
2021	40.0	39.3	33	30.0	12,073	42.2
2022	36.5	--	21	29.2	3,298	11.9
Upper						
2021	37.5	39.6	57	51.8	13,045	45.6
2022	35.1	--	32	44.4	21,399	77.4
Not Available						
2021	0.1	0.1	0	0.0	0	0.0
2022	1.1	--	0	0.0	0	0.0
Totals						
2021	100.0	100.0	110	100.0	28,634	100.0
2022	100.0	--	72	100.0	27,636	100.0
<i>Source 2015 ACS & 2020 U.S. Census; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

Geographic Distribution of Small Business Loans						
Assessment Area: First Commonwealth Cincinnati, OH MSA						
Tract Income Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	7.4	8.0	4	7.1	96	1.3
2022	6.6	--	3	15.0	343	5.9
Moderate						
2021	21.1	21.4	16	28.6	2,080	27.7
2022	22.2	--	8	40.0	2,771	47.7
Middle						
2021	31.2	31.2	12	21.4	2,196	29.3
2022	30.7	--	3	15.0	1,623	27.9
Upper						
2021	38.9	38.4	23	41.1	2,958	39.4
2022	38.6	--	4	20.0	738	12.7
Not Available						
2021	1.4	0.9	1	1.8	169	2.3
2022	1.9	--	2	10.0	336	5.8
Totals						
2021	100.0	100.0	56	100.0	7,499	100.0
2022	100.0	--	20	100.0	5,811	100.0
<i>Source 2021 & 2022 D&B Data; Bank Data; 2021 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Borrower Profile

Home Mortgage Loans

Distribution of Home Mortgage Loans by Borrower Income Level						
Assessment Area: First Commonwealth Cincinnati, OH MSA						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2021	25.3	8.2	6	5.5	364	1.3
2022	23.9	--	4	5.6	203	0.7
Moderate						
2021	16.0	19.4	17	15.5	2,020	7.1
2022	17.4	--	8	11.1	631	2.3
Middle						
2021	18.8	20.5	22	20.0	3,976	13.9
2022	20.1	--	15	20.8	2,136	7.7
Upper						
2021	40.0	36.3	57	51.8	14,431	50.4
2022	38.6	--	37	51.4	8,246	29.8
Not Available						
2021	0.0	15.6	8	7.3	7,844	27.4
2022	0.0	--	8	11.1	16,420	59.4
Totals						
2021	100.0	100.0	110	100.0	28,635	100.0
2022	100.0	--	72	100.0	27,636	100.0
<i>Source 2015 ACS & 2020 U.S. Census; Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

Small Business Loans

Distribution of Small Business Loans by Gross Annual Revenue Category						
Assessment Area: First Commonwealth Cincinnati, OH MSA						
Gross Revenue Level	% of Businesses	Aggregate Performance % of #	#	%	\$(000s)	%
<=\$1,000,000						
2021	81.8	48.7	34	60.7	3,089	41.2
2022	90.0	--	11	55.0	3,367	57.9
>\$1,000,000						
2021	6.3	--	18	32.1	4,181	55.8
2022	3.3	--	6	30.0	1,692	29.1
Revenue Not Available						
2021	12.0	--	4	7.1	229	3.1
2022	6.7	--	3	15.0	752	12.9
Totals						
2021	100.0	100.0	56	100.0	7,499	100.0
2022	100.0	--	20	100.0	5,811	100.0
<i>Source 2021 & 2022 D&B Data; Bank Data; 2021 CRA Aggregate Data; "--" data not available. Due to rounding, totals may not equal 100.0%</i>						

APPENDICES

LARGE BANK PERFORMANCE CRITERIA

Lending Test

The Lending Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) through its lending activities by considering a bank's home mortgage, small business, small farm, and community development lending. If consumer lending constitutes a substantial majority of a bank's business, the FDIC will evaluate the bank's consumer lending in one or more of the following categories: motor vehicle, credit card, other secured, and other unsecured. The bank's lending performance is evaluated pursuant to the following criteria:

- 1) The number and amount of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, in the bank's assessment area;
- 2) The geographic distribution of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on the loan location, including:
 - i. The proportion of the bank's lending in the bank's assessment area(s);
 - ii. The dispersion of lending in the bank's assessment areas(s); and
 - iii. The number and amount of loans in low-, moderate-, middle- and upper-income geographies in the bank's assessment area(s);
- 3) The distribution, particularly in the bank's assessment area(s), of the bank's home mortgage, small business, small farm, and consumer loans, if applicable, based on borrower characteristics, including the number and amount of:
 - i. Home mortgage loans low-, moderate-, middle- and upper-income individuals
 - ii. Small business and small farm loans to businesses and farms with gross annual revenues of \$1 million or less;
 - iii. Small business and small farm loans by loan amount at origination; and
 - iv. Consumer loans, if applicable, to low-, moderate-, middle- and upper-income individuals;
- 4) The bank's community development lending, including the number and amount of community development loans, and their complexity and innovativeness; and
- 5) The bank's use of innovative or flexible lending practices in a safe and sound manner to address the credit needs of low- and moderate-income individuals or geographies.

Investment Test

The Investment Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through qualified investments that benefit its assessment area(s) or a broader statewide or regional area that includes the bank's assessment area(s). Activities considered under the Lending or Service Test may not be considered under the investment test. The bank's investment performance is evaluated pursuant to the following criteria:

- 1) The dollar amount of qualified investments;
- 2) The innovativeness or complexity of qualified investments;
- 3) The responsiveness of qualified investments to available opportunities; and
- 4) The degree to which qualified investments are not routinely provided by private investors.

Service Test

The Service Test evaluates the bank's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the bank's systems for delivering retail banking services and the extent and innovativeness of its community development services.

The bank's retail banking services are evaluated pursuant to the following criteria:

- 1) The current distribution of the bank's branches among low-, moderate-, middle-, and upper-income geographies;
- 2) In the context of its current distribution of the bank's branches, the bank's record of opening and closing branches, particularly branches located in low- or moderate-income geographies or primarily serving low- or moderate-income individuals;
- 3) The availability and effectiveness of alternative systems for delivering retail banking services (*e.g.*, RSFs, RSFs not owned or operated by or exclusively for the bank, banking by telephone or computer, loan production offices, and bank-at-work or bank-by-mail programs) in low- and moderate-income geographies and to low- and moderate-income individuals; and
- 4) The range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

The bank's community development services are evaluated pursuant to the following criteria:

- 1) The extent to which the bank provides community development services; and
- 2) The innovativeness and responsiveness of community development services.

SCOPE OF EVALUATION

FCB	
<p>Scope of Examination: Full-scope reviews were performed on the following assessment areas:</p> <ul style="list-style-type: none"> • Pittsburgh, PA MSA • PA Non-MSA • Williamsport, PA MSA • Columbus, OH MSA • Cleveland-Akron-Canton, OH CSA <p>Limited Scope Review</p> <ul style="list-style-type: none"> • Altoona, PA MSA • Bloomsburg-Berwick, PA MSA • Johnstown, PA MSA • State College, PA MSA • Cincinnati, OH MSA 	
Time Period Reviewed:	03/23/2020 to 03/22/2023
<p>Products Reviewed:</p> <p>Home Mortgage Loans: 01/01/2020 – 12/31/2022 Small Business Loans: 01/01/2020 – 12/31/2022 Small Farm Loans: 01/01/2020 – 12/31/2022</p>	

SUMMARY OF RATINGS FOR RATED AREAS

Rated Area	Lending Test	Investment Test	Service Test	Rating
Pennsylvania	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
Ohio	High Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory

DESCRIPTION OF LIMITED-SCOPE ASSESSMENT AREAS

Altoona, PA MSA

This assessment area includes Blair County in its entirety, which comprises the Altoona, PA MSA. The bank operates six branch offices within this assessment area. There have been no changes to this assessment area during the exam period. The bank’s operations in the Altoona, PA MSA assessment area represent 3.4 percent of total in-assessment area lending (by number), 5.0 percent of total deposits, and 4.1 percent of total branches.

Economic and Demographic Data

There are 38 census tracts within the Altoona, PA MSA assessment area. The tracts reflect the following income designations according to 2020 U.S. Census data:

- 1 low-income tracts,
- 8 moderate-income tracts,
- 22 middle-income tracts,
- 7 upper-income tracts.

The following table shows the demographic information for the assessment area.

Demographic Information of the Assessment Area						
Assessment Area: Altoona MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	38	2.6	21.1	57.9	18.4	0.0
Population by Geography	122,822	1.9	20.1	58.0	20.0	0.0
Housing Units by Geography	56,960	1.9	20.7	57.4	20.0	0.0
Owner-Occupied Units by Geography	36,288	1.5	15.5	61.3	21.7	0.0
Occupied Rental Units by Geography	15,359	3.1	32.2	49.1	15.6	0.0
Vacant Units by Geography	5,313	1.1	23.4	54.5	21.0	0.0
Businesses by Geography	10,872	1.9	21.1	58.5	18.5	0.0
Farms by Geography	318	0.0	8.8	75.8	15.4	0.0
Family Distribution by Income Level	32,357	20.1	18.7	21.3	39.8	0.0
Household Distribution by Income Level	51,647	23.5	17.1	16.8	42.6	0.0
Median Family Income MSA - 11020 Altoona, PA MSA		\$67,495	Median Housing Value			\$128,133
			Median Gross Rent			\$750
			Families Below Poverty Level			9.8%
<i>Source 2020 U.S. Census and 2022 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The 2020 U.S. Census data included changes in census tract boundaries and income categories. Since the 2010 U.S. Census, total census tracts increased from 34 to 38. Furthermore, U.S. Census changes included a decrease in low-income census tracts (3 to 1) and an increase in moderate-income census tracts (4 to 8).

The following table illustrates the FFIEC-updated median family income levels for the Altoona, PA MSA for 2021 and 2022.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Altoona, PA MSA Median Family Income (11020)				
2021 (\$70,100)	<\$35,050	\$35,050 to <\$56,080	\$56,080 to <\$84,120	≥\$84,120
2022 (\$72,400)	<\$36,200	\$36,200 to <\$57,920	\$57,920 to <\$86,880	≥\$86,880
<i>Source FFIEC</i>				

The bank’s Altoona, PA MSA assessment area is a moderately competitive market for financial services. According to the June 30, 2022 FDIC Deposit Market Share data, there were 15 financial institutions that operated 47 full-service branches within the bank’s Altoona, PA MSA assessment area. Of these institutions, First Commonwealth ranked 4th with a 9.1 percent deposit market share.

There is a moderate level of competition for home mortgage loans among several banks, credit unions, and non-depository mortgage lenders. In 2021, 182 lenders reported 4,205 home mortgage loans originated or purchased. First Commonwealth ranked 4th out of this group of lenders, with a market share of 7.1 percent by number of loans. The three most prominent mortgage lenders in the assessment area, Reliance Savings Bank, ARC Home LLC, and Rocket Mortgage, accounted for 24.2 percent of the market share.

There is a moderate level of competition for small business loans within the bank’s assessment area. In 2021, 74 lenders reported 2,139 small business loans originated or purchased. First Commonwealth ranked 9th out of this group of lenders, with a market share of 4.4 percent. The three most prominent small business lenders in the assessment area, First National Bank of PA, American Express National Bank, and M&T Bank, accounted for 33.5 percent of total market share.

Bloomsburg-Berwick, PA MSA

This assessment area includes Montour County in its entirety, which is part of the Bloomsburg-Berwick, PA MSA. The bank operates six branch offices within this assessment area. First Commonwealth also designated Columbia County within their Bloomsburg-Berwick, PA MSA assessment area during the previous CRA evaluation, but removed the county as there was no branch presence and due to limited loan activity. The bank’s operations in the Bloomsburg-Berwick, PA MSA assessment area represent 0.1 percent of total in-assessment area lending (by number), 0.4 percent of total deposits, and 0.8 percent of total branches.

Economic and Demographic Data

There are four census tracts within the Bloomsburg-Berwick, PA MSA assessment area. There are three middle-income census tracts and one upper-income census tract according to 2020 U.S. Census data. The following table shows the demographic information for the assessment area.

Demographic Information of the Assessment Area						
Assessment Area: Bloomsburg-Berwick MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	4	0.0	0.0	75.0	25.0	0.0
Population by Geography	18,136	0.0	0.0	69.1	30.9	0.0
Housing Units by Geography	8,223	0.0	0.0	71.9	28.1	0.0
Owner-Occupied Units by Geography	5,156	0.0	0.0	61.7	38.3	0.0
Occupied Rental Units by Geography	2,319	0.0	0.0	91.6	8.4	0.0
Vacant Units by Geography	748	0.0	0.0	81.0	19.0	0.0
Businesses by Geography	1,530	0.0	0.0	69.6	30.4	0.0
Farms by Geography	95	0.0	0.0	46.3	53.7	0.0
Family Distribution by Income Level	4,742	17.1	16.6	22.1	44.2	0.0
Household Distribution by Income Level	7,475	23.3	15.6	14.1	47.0	0.0
Median Family Income MSA - 14100 Bloomsburg-Berwick, PA MSA		\$70,725	Median Housing Value			\$191,701
			Median Gross Rent			\$751
			Families Below Poverty Level			7.4%
<i>Source 2020 U.S. Census and 2022 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The 2020 U.S. Census data did not include any changes to the number of census tracts or to census tract income designation within the Bloomsburg-Berwick, PA MSA.

The following table illustrates the FFIEC-updated median family income levels for the Bloomsburg-Berwick, PA MSA for 2021 and 2022.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Bloomsburg-Berwick, PA MSA Median Family Income (14100)				
2021 (\$76,500)	<\$38,250	\$38,250 to <\$61,200	\$61,200 to <\$91,800	≥\$91,800
2022 (\$79,600)	<\$39,800	\$39,800 to <\$63,680	\$63,680 to <\$95,520	≥\$95,520
<i>Source FFIEC</i>				

The bank’s Bloomsburg-Berwick, PA MSA assessment area is a moderately low competitive market for financial services. According to the June 30, 2022 FDIC Deposit Market Share data, there were six financial institutions that operated seven full-service branches within the bank’s Bloomsburg-Berwick, PA MSA assessment area. Of these institutions, First Commonwealth ranked 4th with a 9.8 percent deposit market share.

There is a moderately low level of competition for home mortgage loans among several banks, credit unions, and non-depository mortgage lenders. In 2021, 120 lenders reported 617 home mortgage loans originated or purchased. First Commonwealth ranked 8th out of this group of lenders, with a market share of 2.9 percent by number of loans. The three most prominent mortgage lenders in the assessment area, First Columbia Bank & Trust Company, Rocket Mortgage, and Fulton Bank NA, accounted for 32.6 percent of the market share.

There is a low level of competition for small business loans within the bank’s assessment area. In 2021, 33 lenders reported 245 small business loans originated or purchased. First Commonwealth ranked 11th out of this group of lenders, with a market share of 1.6 percent. The three most prominent small business lenders in the assessment area, American Express National Bank, Synchrony Bank, and US Bank, NA, accounted for 45.3 percent of total market share.

Johnstown, PA MSA

This assessment area includes Cambria County in its entirety, which comprises the Johnstown, PA MSA. The bank operates eight branch offices within this assessment area. There have been no changes to this assessment area during the exam period. The bank’s operations in the Johnstown, PA MSA assessment area represent 4.3 percent of total in-assessment area lending (by number), 5.4 percent of total deposits, and 5.4 percent of total branches.

Economic and Demographic Data

There are 42 census tracts within the Johnstown, PA MSA assessment area. The tracts reflect the following income designations according to 2020 U.S. Census data:

- 2 low-income census tracts,
- 8 moderate-income census tracts,
- 25 middle-income census tracts, and
- 7 upper-income census tracts.

The following table shows the demographic information for the assessment area.

Demographic Information of the Assessment Area						
Assessment Area: Johnstown MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	42	4.8	19.0	59.5	16.7	0.0
Population by Geography	133,472	3.8	10.6	61.3	24.3	0.0
Housing Units by Geography	66,072	5.2	14.9	59.3	20.6	0.0
Owner-Occupied Units by Geography	42,554	3.0	9.2	64.0	23.7	0.0
Occupied Rental Units by Geography	14,379	9.5	25.7	50.1	14.7	0.0
Vacant Units by Geography	9,139	8.6	24.2	51.6	15.6	0.0
Businesses by Geography	10,367	3.5	14.5	59.1	23.0	0.0
Farms by Geography	326	1.8	4.3	66.6	27.3	0.0
Family Distribution by Income Level	35,036	19.6	18.6	22.1	39.7	0.0
Household Distribution by Income Level	56,933	23.5	17.0	17.1	42.5	0.0
Median Family Income MSA - 27780 Johnstown, PA MSA		\$65,560	Median Housing Value			\$94,822
			Median Gross Rent			\$633
			Families Below Poverty Level			9.3%
<i>Source 2020 U.S. Census and 2022 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The 2020 U.S. Census data included changes in census tract boundaries and income categories. Since the 2010 U.S. Census, total census tracts remained at 42 and low-income census

tracts remained at 2. However, U.S. Census changes included a decrease in moderate-income census tracts (10 to 8).

The following table illustrates the FFIEC-updated median family income levels for the Johnstown, PA MSA for 2021 and 2022.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Johnstown, PA MSA Median Family Income (27780)				
2021 (\$65,500)	<\$32,750	\$32,750 to <\$52,400	\$52,400 to <\$78,600	≥\$78,600
2022 (\$73,900)	<\$36,950	\$36,950 to <\$59,120	\$59,120 to <\$88,680	≥\$88,680
<i>Source FFIEC</i>				

The bank’s Johnstown, PA MSA assessment area is a moderately competitive market for financial services. According to the June 30, 2022 FDIC Deposit Market Share data, there were 13 financial institutions that operated 13 full-service branches within the bank’s Johnstown, PA MSA assessment area. Of these institutions, First Commonwealth ranked 4th with a 9.5 percent deposit market share.

There is a moderate level of competition for home mortgage loans among several banks, credit unions, and non-depository mortgage lenders. In 2021, 171 lenders reported 3,563 home mortgage loans originated or purchased. First Commonwealth ranked 1st out of this group of lenders, with a market share of 11.5 percent by number of loans.

There is a moderate level of competition for small business loans within the bank’s assessment area. In 2021, 61 lenders reported 2,358 small business loans originated or purchased. First Commonwealth ranked 7th out of this group of lenders, with a market share of 5.0 percent. The three most prominent small business lenders in the assessment area, 1st Summit Bank, First National Bank of PA, and American Express National Bank, accounted for 39.7 percent of total market share.

State College, PA MSA

This assessment area includes Centre County in its entirety, which comprises the State College, PA MSA. The bank operates one branch office within this assessment area. There have been no changes to this assessment area during the exam period. The bank’s operations in the State College, PA MSA assessment area represent 0.9 percent of total in-assessment area lending (by number), 0.9 percent of total deposits, and 0.8 percent of total branches.

Economic and Demographic Data

There are 41 census tracts within the State College, PA MSA assessment area. The tracts reflect the following income designations according to 2020 U.S. Census data:

- 1 low-income census tract,
- 8 moderate-income census tracts,
- 19 middle-income census tracts,
- 9 upper-income census tracts, and
- 4 census tracts with no income designation.

The following table shows the demographic information for the assessment area.

Demographic Information of the Assessment Area						
Assessment Area: State College MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	41	2.4	19.5	46.3	22.0	9.8
Population by Geography	158,172	3.6	14.7	49.2	20.8	11.6
Housing Units by Geography	67,062	0.2	17.5	56.2	21.7	4.4
Owner-Occupied Units by Geography	37,083	0.0	16.8	59.9	23.2	0.1
Occupied Rental Units by Geography	22,297	0.5	17.3	51.4	19.9	10.8
Vacant Units by Geography	7,682	0.6	21.8	52.4	19.2	6.0
Businesses by Geography	14,273	1.0	16.5	48.2	26.8	7.4
Farms by Geography	543	0.2	17.3	62.2	20.1	0.2
Family Distribution by Income Level	33,317	18.2	19.0	23.2	39.5	0.0
Household Distribution by Income Level	59,380	25.9	15.0	17.0	42.1	0.0
Median Family Income MSA - 44300 State College, PA MSA		\$90,415	Median Housing Value			\$252,762
			Median Gross Rent			\$1,017
			Families Below Poverty Level			4.6%
<i>Source 2020 U.S. Census and 2022 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The 2020 U.S. Census data included changes in census tract boundaries and income categories. Since the 2010 U.S. Census, total census tracts increased from 31 to 41. Furthermore, U.S. Census changes included an increase in moderate-income census tracts (6 to 8).

The following table illustrates the FFIEC-updated median family income levels for the State College, PA MSA for 2021 and 2022.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
State College, PA MSA Median Family Income (44300)				
2021 (\$87,900)	<\$43,950	\$43,950 to <\$70,320	\$70,320 to <\$105,480	≥\$105,480
2022 (\$97,300)	<\$48,650	\$48,650 to <\$77,840	\$77,840 to <\$116,760	≥\$116,760
<i>Source FFIEC</i>				

The bank’s State College, PA MSA assessment area is a moderately competitive market for financial services. According to the June 30, 2022 FDIC Deposit Market Share data, there were 16 financial institutions that operated 45 full-service branches within the bank’s State College, PA MSA assessment area. Of these institutions, First Commonwealth ranked 13th with a 1.4 percent deposit market share.

There is a moderate level of competition for home mortgage loans among several banks, credit unions, and non-depository mortgage lenders. In 2021, 262 lenders reported 5,658 home mortgage loans originated or purchased. First Commonwealth ranked 22nd out of this group of lenders, with a market share of 1.3 percent by number of loans. The three most prominent mortgage lenders in the assessment area, CBNA, Wells Fargo Bank NA, and Northwest Bank, accounted for 20.1 percent of the market share.

There is a moderate level of competition for small business loans within the bank’s assessment area. In 2021, 72 lenders reported 2,688 small business loans originated or purchased. First Commonwealth ranked 18th out of this group of lenders, with a market share of 1.0 percent. The three most prominent small business lenders in the assessment area, American Express National Bank, First National Bank of PA, and Kish Bank, accounted for 36.3 percent of total market share.

Cincinnati, OH MSA

This assessment area includes Clermont and Hamilton Counties in their entireties, which are both part of the Cincinnati, OH MSA. The bank operates five branch offices within this assessment area. There have been no changes to this assessment area during the exam period. The bank's operations in the Cincinnati, OH MSA assessment area represent 2.3 percent of total in-assessment area lending (by number), 2.7 percent of total deposits, and 3.4 percent of total branches.

Economic and Demographic Data

There are 274 census tracts within the Cincinnati, OH MSA assessment area. The tracts reflect the following income designations according to 2020 U.S. Census data:

32 low-income census tracts,
 71 moderate-income census tracts,
 88 middle-income census tracts,
 70 upper-income census tracts, and
 13 census tracts with no income designation.

The following table shows the demographic information for the assessment area.

Demographic Information of the Assessment Area						
Assessment Area: Cincinnati, OH MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	274	11.7	25.9	32.1	25.5	4.7
Population by Geography	1,039,240	8.5	27.1	33.6	28.4	2.4
Housing Units by Geography	463,738	9.8	27.9	32.4	27.0	3.0
Owner-Occupied Units by Geography	260,180	4.3	23.0	36.5	35.1	1.1
Occupied Rental Units by Geography	163,755	16.1	35.0	27.6	16.5	4.8
Vacant Units by Geography	39,803	19.7	31.0	24.8	16.9	7.6
Businesses by Geography	142,326	6.6	22.2	30.7	38.6	1.9
Farms by Geography	2,799	3.7	21.4	37.9	35.7	1.3
Family Distribution by Income Level	253,037	23.9	17.4	20.1	38.6	0.0
Household Distribution by Income Level	423,935	28.0	16.0	17.1	38.9	0.0
Median Family Income MSA - 17140 Cincinnati, OH-KY-IN MSA		\$84,990	Median Housing Value			\$184,422
			Median Gross Rent			\$853
			Families Below Poverty Level			9.5%
<i>Source 2020 U.S. Census and 2022 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The 2020 U.S. Census data included changes in census tract boundaries and income categories. Since the 2010 U.S. Census, total census tracts increased from 262 to 274. Furthermore, U.S. Census changes included a decrease in low-income census tracts (41 to 32) and an increase in moderate-income census tracts (63 to 71).

The following table illustrates the FFIEC-updated median family income levels for the Cincinnati, OH MSA for 2021 and 2022.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Cincinnati, OH-KY-IN MSA Median Family Income (17140)				
2021 (\$81,900)	<\$40,950	\$40,950 to <\$65,520	\$65,520 to <\$98,280	≥\$98,280
2022 (\$97,400)	<\$48,700	\$48,700 to <\$77,920	\$77,920 to <\$116,880	≥\$116,880
<i>Source FFIEC</i>				

The bank’s Cincinnati, OH MSA assessment area is a competitive market for financial services. According to the June 30, 2022 FDIC Deposit Market Share data, there were 40 financial institutions that operated 302 full-service branches within the bank’s Cincinnati, OH MSA assessment area. Of these institutions, First Commonwealth ranked 21st with a 0.1 percent deposit market share.

There is a high level of competition for home mortgage loans among several banks, credit unions, and non-depository mortgage lenders. In 2021, 512 lenders reported 56,934 home mortgage loans originated or purchased. First Commonwealth ranked 84th out of this group of lenders, with a market share of 0.2 percent by number of loans. The three most prominent mortgage lenders in the assessment area, Union Savings Bank, Fifth Third Bank NA, and US Bank NA, accounted for 19.8 percent of the market share.

There is a moderately high level of competition for small business loans within the bank’s assessment area. In 2021, 145 lenders reported 24,365 small business loans originated or purchased. First Commonwealth ranked 30th out of this group of lenders, with a market share of 0.2 percent. The three most prominent small business lenders in the assessment area, American Express National Bank, US Bank NA, and JP Morgan Chase Bank NA, accounted for 42.4 percent of total market share.

GLOSSARY

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

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
 - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

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.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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. Other family 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).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

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

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

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (for example, geographic distribution, borrower profile, 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.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

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 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 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as non-MSA): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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 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.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: 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, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

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

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.