

PUBLIC DISCLOSURE

December 3, 2007

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Apollo Trust Company
RSSD: 368522

201 North Warren Avenue
Apollo, Pennsylvania 15613

Federal Reserve Bank of Cleveland
P.O. Box 6387
Cleveland, Ohio 44101-1387

NOTE:

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

TABLE OF CONTENTS

Institution’s CRA Rating 1

Scope of Examination1

Description of Institution2

Description of Assessment Area3

Conclusions with Respect to Performance Criteria6

Tables11

Maps.....12

INSTITUTION'S CRA RATING: Apollo Trust Company is rated Satisfactory.

Major factors contributing to this rating include:

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

The previous CRA evaluation (November 17, 2003) resulted in a rating of "Satisfactory."

SCOPE OF EXAMINATION

The evaluation of Apollo Trust Company's ("Apollo") Community Reinvestment Act ("CRA") performance covered the period of July 1, 2005 through June 30, 2007. This evaluation was performed using the Interagency Small Bank Evaluation Procedures. Under this examination method, the bank is evaluated by considering lending activity throughout its assessment area.

The lending test includes an analysis of:

- The loan-to-deposit ratio;
- The volume of loans extended inside and outside of the bank's assessment area;
- The geographic distribution of loans in the assessment area, including low- and moderate-income census tracts;
- The extent of lending to borrowers of different income levels, including low- and moderate-income borrowers, and businesses of different sizes, including small businesses; and
- The bank's record of taking action in response to written complaints about its performance in helping to meet the credit needs in its assessment areas.

The lending products reviewed for this evaluation included motor vehicle loans, other unsecured consumer loans, and mortgage loans. Mortgage loans consisted of home purchase loans, refinance loans, and home improvement loans.

During this evaluation period from July 1, 2005 through June 30, 2007, Apollo originated 431 motor vehicle loans, 206 other unsecured consumer loans, and 65 mortgage loans. As a result, motor vehicle loans received the greatest weight by volume and amount. Other unsecured consumer loans received the next greatest weight by volume. Mortgage loans received the least amount of weight, based on volume. Due to the unique demographics of Apollo's assessment area and limited opportunities for commercial lending, the bank's level of lending to small businesses and small farms was not included in this examination.

The geographic distribution of loans among various-income census tracts within the bank's assessment area was evaluated using data from the 2000 United States Census report. Specifically, the bank's geographic distribution, with respect to motor vehicle and other unsecured consumer loans, was assessed by comparing the percentage of loans made within the assessment area's census tracts to the total percentage of households by income, within the bank's census tracts. The geographic distribution of mortgage loans was assessed by comparing the percentage of loans made within the bank's census tracts to the percentage of owner-occupied housing units within the assessment area's census tracts.

The distribution of loans to borrowers of different income levels was based on 2006 adjusted median family income statistics, made available by the United States Department of Housing and Urban Development ("HUD"). Specifically, the bank's borrower income distribution, with respect to motor vehicle loans and other unsecured consumer loans, was assessed by comparing the percentage of loans made to households in each income category (low-, moderate-, middle-, and upper-income) to the percentage of households in each income category. For mortgage loans, the bank's borrower income distribution was assessed by comparing the percentage of loans made to borrowers in each income category to the percentage of families in each income category, in the bank's assessment area.

Although poverty level is determined by income and family size, a larger proportion of poverty level families were found in the low-income category, and to some extent, in the moderate-income category. Further, poverty levels can impact low- and moderate-income families. It can be difficult for borrowers at poverty level to qualify for loans because their income is often limited. Poverty level is a factor in the performance context, and is taken into consideration in the conclusions regarding the bank's performance. Within the bank's total assessment area, 7.48% of families are living below the poverty level.

DESCRIPTION OF INSTITUTION

Apollo is a full-service, retail community bank, located in Apollo, Pennsylvania. It is the sole banking subsidiary and source of income for its parent company, Apollo Bancorp, Incorporated, which is also located in Apollo, Pennsylvania.

As of September 30, 2007, Apollo reported total assets valued at approximately \$108.3 million, of which approximately 41.05% (\$44.5 million) represented loans. As of that date, real estate loans comprised 49.06% of the institution's loan portfolio, of which 36.29% were secured by 1-4 family residential real estate. The remainder of Apollo's loan portfolio consisted of approximately 36.90% consumer loans, 9.40% commercial and industrial loans, and 4.64% municipal loans.

Since the previous examination, Apollo has neither opened nor closed any banking offices. However, one cash-only Automated Teller Machine (“ATM”), located in Vandergrift, Pennsylvania, was closed in November 2003. To date, Apollo has five full-service banking locations (including the main office) located in Apollo, Leechburg, and Spring Church, Pennsylvania. ATMs are located at all banking locations, in addition to one cash-only ATM located in Apollo, Pennsylvania.

Apollo has one lending assessment area, which is comprised of the southern portion of Armstrong County in Pennsylvania and the northern portion of Westmoreland County in Pennsylvania. Both counties are a part of the Pittsburgh Metropolitan Statistical Area (“MSA”) 38300. During the previous examination, Apollo had two lending assessment areas (Pittsburgh MSA 38300 and Pennsylvania non-metropolitan area); however, in 2003, Armstrong County was incorporated into the Pittsburgh MSA.

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

DESCRIPTION OF PITTSBURGH METROPOLITAN ASSESSMENT AREA 38300, Commonwealth of Pennsylvania

For purposes of CRA, Apollo has designated one region, within in the Commonwealth of Pennsylvania, as its assessment area. Apollo has designated the southern portion of Armstrong County and the northern portion of Westmoreland County as its assessment area.

Armstrong and Westmoreland Counties contain a total of 114 census tracts. There are 19 census tracts in Armstrong County and 95 census tracts in Westmoreland County. Specifically, Apollo has designated five census tracts in Armstrong County and 12 census tracts in Westmoreland County as its defined assessment area. This assessment area is comprised of no low-income census tracts, two moderate-income census tracts, 15 middle-income census tracts, and no upper-income census tracts.

Population

The 2000 United States Census report indicated that the total population of Apollo’s entire assessment area was 60,596. Specifically, individuals ages 25 to 64 represented 52.35% of the area’s population. Individuals ages 17 and younger accounted for 22.52% of the population. Individuals ages 65 and over and 18 to 24 comprised 18.68% and 6.44% respectively, of the assessment area’s total population.

Income Characteristics

Based on data released by HUD in 2000, the median family income for all portions of Armstrong and Westmoreland Counties were \$38,271 and \$45,996, respectively. However, the median family income for the bank's designated assessment area was \$44,085. In 2006, HUD reported that the median family incomes for all portions of Armstrong and Westmoreland counties rose to \$46,400 and \$57,400, respectively.

Housing

According to the 2000 U.S. Census report, there were 26,110 housing units in the bank's assessment area. The majority (75.66%) of these units were owner-occupied, while 17.83% represented rental units. Vacant units accounted for 6.51% of all housing units. Single-unit properties comprised 80.46% of all housing units. Mobile homes accounted for 9.23% of all housing units. Two-to-four unit properties represented 5.68% of all housing units. Multi-family units and 'other' units equaled 4.62% and 0.01%, respectively, of all housing units in the bank's assessment area. This data further revealed that 10.98% of the assessment area's housing units were located in moderate-income census tracts and 89.02% were located in middle-income census tracts. No housing units were located in low- or upper-income census tracts because there are no low- or upper-income tracts, within the bank's assessment area. As a result, all of Apollo's mortgage lending would be expected in moderate- and middle-income census tracts.

Economics

In 2004, the Pennsylvania Department of Labor and Industry reported that health care/social services, manufacturing, retail trade, and transportation/warehousing were the largest industries in Apollo's assessment area. Further, in 2006, Armstrong County's top three employers were Armstrong County Memorial Hospital, Armstrong School District, and Allegheny Ludlum Corporation. The top three employers in Westmoreland County in 2006 were the Pennsylvania State Government, Wal-Mart Associates Incorporated, and Westmoreland County.

According to United States Bureau of Labor Statistics,¹ as of September 2007, the unemployment rates for Armstrong and Westmoreland counties were 4.2% and 4.1%, respectively. During this period, the Commonwealth of Pennsylvania's unemployment rate was 4.1% and the national unemployment rate was 4.5%.²

¹ www.bls.gov

² All cited unemployment statistics are based on non-seasonally adjusted figures.

There is significant banking competition throughout Armstrong and Westmoreland counties. As of June 30, 2007, the Federal Deposit Insurance Corporation (“FDIC”)³ reported that there were 29 FDIC-insured financial institutions, operating 169 offices, between the two counties. These statistics indicate that Apollo ranked 18th, holding 1.25% of the market share of deposits. National City Bank, which operates 21 offices in this area, ranked first, with 17.40% of the market share of deposits. First Commonwealth Bank, which operates 19 offices between Armstrong and Westmoreland counties, ranked second, holding 12.53% of the market share of deposits.

The following demographic table illustrates the bank’s entire assessment area.

³ www.fdic.gov

Combined Demographics Report

Apollo Trust Company

Assessment Area(s): Pittsburgh MSA 38300

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	3,581	20.5
Moderate-income	2	11.8	1,634	9.3	198	12.1	3,563	20.4
Middle-income	15	88.2	15,849	90.7	1,109	7.0	4,159	23.8
Upper-income	0	0.0	0	0.0	0	0.0	6,180	35.3
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	17	100.0	17,483	100.0	1,307	7.5	17,483	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	2,866	1,728	8.7	60.3	830	29.0	308	10.7
Middle-income	23,244	18,028	91.3	77.6	3,825	16.5	1,391	6.0
Upper-income	0	0	0.0	0.0	0	0.0	0	0.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	26,110	19,756	100.0	75.7	4,655	17.8	1,699	6.5

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Loan-to-Deposit Ratio

A financial institution’s loan-to-deposit ratio compares the institution’s outstanding aggregate loan balances to its total outstanding deposits. This ratio is a measure of an institution’s lending volume relative to its capacity to lend. Further, this ratio is derived by dividing the institution’s quarterly net loans by the quarterly total deposits.

Apollo’s loan-to-deposit ratio is reasonable given its size, financial condition and the credit needs of its assessment area. The bank has averaged a loan-to-deposit ratio of approximately 52.90% over the past 17 quarters of operation. Although Apollo is significantly below the peer group average ratio of approximately 81.29%, its loan-to-deposit ratio is indicative of its business strategies and the demographics of its assessment area. Although Apollo experienced intermittent periods of slight growth in its net loans and total deposits, the bank has primarily experienced gradual declines in these areas, thereby resulting in an overall decrease in the institution’s loan-to-deposit ratios, throughout the evaluation period.

The following table details Apollo’s quarterly loan-to-deposit ratios for the past 17 quarters, since the previous evaluation.

Loan-to Deposit Ratios			
As of Date	Net Loans (000s)	Total Deposits (000s)	Ratio
September 30, 2007	\$42,156	\$90,153	46.76%
June 30, 2007	\$43,239	\$91,387	47.31%
March 31, 2007	\$45,042	\$91,774	49.08%
December 31, 2006	\$44,178	\$87,987	50.21%
September 30, 2006	\$45,823	\$92,194	49.70%
June 30, 2006	\$47,701	\$94,462	50.50%
March 31, 2006	\$49,500	\$98,438	50.29%
December 31, 2005	\$51,484	\$101,362	50.79%
September 30, 2005	\$52,568	\$102,546	51.26%
June 30, 2005	\$55,103	\$101,370	54.36%
March 31, 2005	\$56,104	\$102,166	54.91%
December 31, 2004	\$57,648	\$102,661	56.15%
September 30, 2004	\$59,594	\$106,476	55.97%
June 30, 2004	\$61,591	\$106,232	57.98%
March 31, 2004	\$62,991	\$110,164	57.18%
December 31, 2003	\$62,875	\$107,905	58.27%
September 30, 2003	\$64,086	\$109,420	58.57%
Quarterly Loan-to-Deposit Ratio Average since the previous examination			52.90%

Lending in the Assessment Area

Apollo’s motor vehicle loans, other unsecured consumer loans, and mortgage loans were analyzed to determine the volume of lending inside and outside of the bank’s assessment area. The mortgage products include home purchase, refinance and home improvement loans. However, due to the number of loans represented in each product, the loans were aggregated to give a more meaningful analysis of the bank’s mortgage lending. A majority of the bank’s loans were made inside of its assessment area.

The table below depicts Apollo’s volume of loans extended inside and outside of its assessment area from July 1, 2005 through June 30, 2007:

Lending Inside and Outside the Assessment Area								
Loan Type	Inside the Assessment Area				Outside the Assessment Area			
	# of Loans	%	\$ (000s)	%	# of Loans	%	\$ (000s)	%
HMDA	65	89.0	3,132	82.0	8	11.0	688	18.0
Consumer	431	78.1	5,592	77.4	121	21.9	1,637	22.6
Total	702	83.5	9,427	79.9	139	16.5	2,366	20.1

Geographic Distribution of Lending

Based on demographic characteristics unique to this assessment area and performance details of all reviewed lending products (details listed below), Apollo’s geographic distribution of lending reflects a reasonable dispersion of loans throughout its assessment area.

The geographic distribution of loans was analyzed, in order to determine the bank's lending patterns among census tracts, within its assessment area. There are no low-income tracts, two moderate-income tracts, 15 middle-income tracts, and no upper-income tracts, within the bank's assessment area. Due to the lack of low- and moderate-income census tracts in this assessment area, geographic distribution was weighted less heavily, in relation to the bank's performance context and borrower distribution.

Motor Vehicle Loans

Apollo originated 431 motor vehicle loans, totaling approximately \$5.6 million, during this evaluation period. 20.19% of these loans were made in moderate-income census tracts, which exceeded the total of 10.48% of households in moderate-income census tracts. This represents an excellent level of lending in moderate-income areas. Motor vehicle lending in middle-income census tracts accounted for 79.81% of the bank's lending in this product line. This was below the total of 89.52% of households in middle-income census tracts. Although Apollo's motor vehicle lending in middle-income census tracts is below aggregate, the bank's overall performance and demographic characteristics indicate that motor vehicle loans are proportionally provided to residents in the area's middle-income geographies.

Other Unsecured Consumer Loans

Apollo originated 206 other unsecured consumer loans, totaling approximately \$703,000 during this evaluation period. 27.18% of these loans were made in moderate-income census tracts, which exceeded the total of 10.48% of households in moderate-income census tracts. This represents an excellent level of lending in moderate-income areas. Other unsecured lending in middle-income census tracts accounted for 72.82% of the bank's lending in this product line. This was below the total of 89.52% of households in middle-income census tracts. Although Apollo's other unsecured lending in middle-income census tracts is below aggregate, the bank's overall performance and demographic characteristics indicate that other unsecured consumer loans are proportionally provided to residents in middle income geographies.

Mortgage Loans

Apollo originated 65 mortgage loans, totaling approximately \$3.1 million, during this evaluation period. 23.08% of the bank's mortgage loans were made in moderate-income census tracts, which exceeds the total of 8.75% of owner-occupied housing units in moderate-income census tracts. This reflects an excellent level of mortgage lending in moderate-income geographies. Further, 76.92% of the bank's mortgage loans were made in middle-income census tracts. Although this figure is below the total of 91.25% of owner-occupied housing units, in middle-income census tracts, the bank's overall performance and demographic characteristics indicate that mortgage loans are proportionally provided to residents in middle-income geographies.

Borrower Distribution of Lending

Due to demographic characteristics unique to this assessment area, Apollo's lending patterns regarding the dispersion of credit among borrowers of different income levels received the most weight, in relation to its performance context. Based on an analysis of this information for all product lines reviewed (details listed below) and considering that 7.48% of the families within the assessment area are living below the poverty level, Apollo has a reasonable penetration of lending to borrowers of different income levels.

Motor Vehicle Loans

Of the 431 motor vehicle loans originated during this evaluation period, 18.79% were made to low-income households, which was below the total of 23.37% of low-income households in the bank's assessment area. Although this figure is below the aggregate of low-income households, this level of lending is considered reasonable based on the demographics of this assessment area. Loans to moderate-income households represented 26.45% of the bank's lending in this product line. This exceeded the total of 17.38% of moderate-income households in the assessment area, which reflects an excellent level of lending to moderate-income households. The bank made 31.09% of its motor vehicle loans to middle-income households, which exceeded the total of 19.56% of middle-income households in the assessment area. Motor vehicle loans to upper-income households accounted for 22.51% of the bank's lending in this product line, which was below the total of 39.68% of upper-income households in the assessment area. Additionally, 1.16% of motor vehicle loans were made to households in which the income classifications were unknown.

Other Unsecured Loans

Of the 206 other unsecured consumer loans originated during this evaluation period, 43.20% were made to low-income households. This exceeded the total of 23.37% of low-income households in the bank's assessment area and represents an excellent level of lending to low-income households. Loans to moderate-income households represented 32.52% of the bank's lending in this product line. This exceeded the total of 17.38% of moderate-income households in the assessment area, which reflects an excellent level of lending to moderate-income households. The bank made 15.05% of its other unsecured consumer loans to middle-income households, which was below the total of 19.56% of middle-income households in the assessment area. Other unsecured consumer loans to upper-income households accounted for 8.25% of the bank's lending in this product line, which was below the total of 39.68% of upper-income households, in the assessment area. Although the bank's lending figures for middle- and upper-income households were below the respective aggregate households, the bank's overall lending performance indicates that other unsecured consumer loans are provided proportionally to middle- and upper-income households. Additionally, 0.97% of other unsecured consumer loans were made to households in which the income classifications were unknown.

Mortgage Loans

Of the 65 total mortgage loans originated, during this evaluation period, 12.31% of mortgage loans were made to low-income families, which is below the aggregate of 20.48% of low-income families, in the bank's assessment area. Although this figure is below the aggregate of low-income families, this level of lending is considered reasonable based on the demographic composition of the bank's assessment area. Loans to moderate-income families represented 50.77% of the bank's mortgage lending portfolio. This exceeded the total of 20.38% of moderate-income families in the assessment area and reflects an excellent level of lending to moderate-income families. The bank made 16.92% of its mortgage loans to middle-income families, which was below the total of 23.79% of middle-income families in the assessment area. Mortgage loans to upper-income families accounted for 13.85% of the bank's mortgage lending portfolio. This figure is below the total of 35.35% of upper-income families, in the bank's assessment area. Although mortgage lending to middle- and upper-income families were below the respective aggregate family income figures, the bank's overall mortgage lending performance and demographics of its assessment area indicate that mortgage loans are proportionally provided to middle- and upper-income families.

Community Contacts

Two community contact interviews were conducted in conjunction with this examination. The first was conducted with an industrial development corporation that identified an increased need for small business loans mostly due to decreased federal and state funding over the past several years.

The second interview was conducted with a county housing authority that acknowledged local financial institutions assist the organization in its ability to provide affordable housing for residents within the area.

Response to Consumer Complaints

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

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices, inconsistent with helping meet the credit needs of the community, was noted during this evaluation. Further, Apollo has adopted procedures, such as self-evaluations and employee training, which help the bank to monitor and control risks associated with CRA and the Equal Credit Opportunity Act.

Borrower Distribution of Consumer Loans										
Assessment Area/Group: Pittsburgh MSA 38300										
	Total Consumer Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers	
	#	% of Total	% of Hhlds	% Bank Loans	% of Hhlds	% Bank Loans	% of Hhlds	% Bank Loans	% of Hhlds	% Bank Loans
Motor Vehicle	431	67.7	23.4	18.8	17.4	26.5	19.6	31.1	39.7	22.5
Other - Unsecured	206	32.3	23.4	43.2	17.4	32.5	19.6	15.0	39.7	8.3

Borrower Distribution of HMDA Loans										
Assessment Area/Group: Pittsburgh MSA 38300										
	Total HMDA Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers	
	#	% of Total	% of Families	% Bank Loans	% of Families	% Bank Loans	% of Families	% Bank Loans	% of Families	% Bank Loans
Home Purchase	17	26.2	20.5	17.6	20.4	35.3	23.8	17.6	35.3	11.8
Refinance	18	27.7	20.5	11.1	20.4	50.0	23.8	22.2	35.3	16.7
Home Improvement	30	46.2	20.5	10.0	20.4	60.0	23.8	13.3	35.3	13.3

Apollo Trust Company
Assessment Area: Pittsburgh MSA 38300

