



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

April 10, 2008

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

THE CANANDAIGUA NATIONAL BANK AND TRUST COMPANY
Charter Number: 3817

72 South Main Street
Canandaigua, NY 14424

Office of the Comptroller of the Currency

Upstate New York (Syracuse)
231 Salina Meadows Parkway, Suite 105
Syracuse, NY 13212

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

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Overall CRA Rating

Institution’s CRA Rating: This institution is rated **Satisfactory**.

The following table indicates the performance level of **The Canandaigua National Bank and Trust Company (CNBT)** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Canandaigua National Bank and Trust Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory		x	
Low Satisfactory	x		x
Needs to Improve			
Substantial Noncompliance			

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

The major factors that support this rating include:

- Lending levels that reflect a good responsiveness by CNBT to the credit needs of its assessment areas (AAs);
- An adequate distribution of loans among borrowers of different income levels throughout the AAs;
- An adequate distribution of loans among geographies of different income levels throughout the AAs, along with a substantial majority of loans originated inside the AAs;
- Flexible lending products that had a neutral impact on the bank’s lending performance;
- Investments that reflect good responsiveness to the credit and community development needs of the AAs;
- Service delivery systems that are reasonably accessible to geographies and individuals of different income levels in the AAs; and
- Good performance in providing community development services.

Definitions and Common Abbreviations

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

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

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

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

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

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

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

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

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

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

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

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

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include additional data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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

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

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

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

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

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget and any other area designated as such by the appropriate federal financial supervisory agency.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

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

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

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

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

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

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

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

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

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

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

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

Description of Institution

Canandaigua National Bank and Trust Company (CNBT) is headquartered in Canandaigua, New York, and is a wholly owned subsidiary of Canandaigua National Corporation (CNC). CNC's principal operations comprise the activity of CNBT and CNB Mortgage Company (CNBMC), which generates home purchase and refinance loans. CNBT has an operating subsidiary, CNB Insurance Agency, which offers insurance products. CNBT also maintains ownership interests in Cephaz Capital Partners, LP, a Small Business Investment Company, Monroe Fund, a start-up business venture fund and USA Payroll, a payroll processing firm.

CNBT is a full service intrastate bank with 21 branches and one trust office serving portions of four counties (Ontario, Monroe, Livingston and Wayne) in the Finger Lakes region of New York State. During the evaluation period, the bank opened a temporary branch in Henrietta, NY, in anticipation of a permanent branch opening in the summer of 2008. CNBT offers a wide range of financial services ranging from traditional deposit and loan products to insurance products, trust services, and investment products.

As of December 31, 2007, CNBT had \$1.2 billion in total assets that included \$910 million in net loans, representing 77% of total assets. The bank's loan portfolio mix consists of 61% real estate loans (34% commercial real estate loans, 23% residential real estate loans and 3% construction and development loans), 22% commercial and industrial loans, and 17% loans to individuals. As of December 31, 2007, CNBT reported Tier 1 capital of \$76 million.

CNBT operates in a competitive financial services market with mortgage companies, large regional banks, large credit unions, savings banks and community banks. CNBT is not subject to any known financial, legal, or other factors that would impede its ability to help meet the credit needs of its assessment areas.

CNBT's last CRA exam was April 4, 2005, at which time the bank's performance was rated "Satisfactory."

Scope of the Evaluation

Evaluation Period/Products Evaluated

The CRA evaluation period covers January 1, 2005 through December 31, 2007, for Home Mortgage Disclosure Act loans (HMDA) and small business loans. HMDA loans include home purchase, home improvement and refinance loans. The evaluation period for community development loans, investments, and services is April 4, 2005, through April 10, 2008. This represents the time period between the start date of the bank's last CRA examination and the current examination. The market share and peer comparisons are based on the information contained in the aggregate HMDA Registers for 2005 and 2006. Due to reporting criteria requirements, the bank was not required to report small business loans from 2005-2006, therefore no peer comparisons were made for small business lending. Information on demographic statistics was obtained from the 2000 Census data and included updated 2007 census data when available.

The peer comparisons in this report include only lenders in the Rochester, NY, MSA who were required to file HMDA and Small Business/Farm Reports for 2005 and 2006. Aggregate HMDA and Small Business/Farm reports for 2007 are currently unavailable.

For the lending test, we evaluated CNBT's origination of home purchase, home refinance, home improvement loans, small business loans and community development (CD) loans. We did not evaluate CNBT's origination of small farm loans or multi-family dwelling loans because the volume was not significant for a meaningful analysis (0.1% and 0.2% of loan originations respectively over the lending test evaluation period). The lending data for home purchase and home refinance loans includes loans within CNBT's AA made by the bank's mortgage company affiliate CNBMC.

Data Integrity

A data integrity examination was performed prior to the examination of the loan information discussed in the evaluation period/products evaluated section above. The quality of the bank's HMDA and small business/farm reporting was determined to be satisfactory. A sample was also taken of HMDA and small business/farm loans to test for data integrity. No issues were identified.

Selection of Areas for Full-Scope Review

We completed a full-scope review of the bank's only AA, the Rochester, NY MSA AA.

Ratings

The bank's overall rating is based entirely on the review of the bank's only AA – the Rochester NY MSA. The bank's primary products are a combination of home mortgage and small business lending. Fifty-five percent of the loans originated were home mortgage and 45% of the loans originated were small business. Home mortgage dollar volume represented 63% and small business dollar volume represented 37%. Among originated and purchased home mortgage loans, 50% were home purchase, 37% were home refinance and 13% were home improvement loans. When determining conclusions for the lending test, home mortgage loans received slightly more weight than small business loans. Within the home mortgage product category, purchase loans held the most weight followed by home refinance loans and home improvement loans. This weighting is reflective of CNBT's volume by loan type over the evaluation period.

Other

For this examination, we made three community contacts from Ontario and Monroe County. We also took into consideration information from two Monroe County community contacts made in conjunction with another examination from February, 2008. Combined, these contacts provided information on the housing and economic development environment in the region and issues affecting the community and low- to moderate-income individuals and families.

The community contacts stated that the primary credit needs in the area were housing and small business lending. Among housing concerns, affordable housing and rehabilitation of low-end housing were primary credit needs. A majority of the housing stock in the area is old and requires repair. Community contacts also identified small business lending and start-up financing for businesses as a primary need. One community contact also mentioned the need for greater banking delivery system accessibility in low- and moderate-income areas. The need for affordable housing and small business related credit, investments, and services were considered in our evaluation of CNBT's performance under the Lending, Investment, and Service Tests. Refer to the Market Profile in Appendix B of this Evaluation for more information.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test is rated "Low Satisfactory". Based on full-scope reviews, the bank's performance in the Rochester MSA is adequate.

Lending Activity

Refer to Tables 1 Lending Volume and 1 Other Products in Appendix C for the facts and data used to evaluate the bank's lending activity.

The bank's primary lending products in the Rochester MSA were home mortgage and small business loans. During the evaluation period, 55% of loans originated were home mortgages and 45% of loans originated were small business. In dollar volume, home mortgages represented 63% and small business loans represented 37%. Among originated and purchased home mortgage loans, 50% were for home purchase, 37% for home refinance and 13% for home improvement loans.

CNBT's overall lending activity in the Rochester MSA is adequate. Since last examination, CNBT has increased its presence in the MSA with a greater market share in deposits and lending (except for home purchases/originations). CNBT previously ranked sixth in deposit market share and now ranks fifth for deposits in 2007 with an 8.65% market share. Based on 2006 aggregate HMDA data, CNBT is ranked sixth out of 92 lenders in home improvement loans (4.30% market share), seventh in home refinance loans out of 225 lenders (2.80% market share) and 27th out of 236 lenders in home purchases (0.98% market share). Last examination, CNBT ranked 10th for home refinances, 14th for home improvements and ninth for home purchases. Lending in the Rochester MSA is highly competitive and dominated by large multinational financial institutions including M&T, Chase, Bank of America, Citizens, Key Bank, Hongkong and Shanghai Banking Corporation (HSBC) and several local credit unions. Comparisons for small business lending were not available because the bank was not required to report from 2005-2006 and 2007 small business peer data is currently unavailable.

Distribution of Loans by Income Level of the Geography

The geographic distribution of CNBT's home mortgage loans and small loans to businesses reflects overall adequate penetration throughout the Rochester MSA.

Home Mortgage Loans

ROCHESTER MSA

Refer to Tables 2, 3, 4 and 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Home purchase loan geographic distribution is good. The percentage of home purchase loans distributed among low- and moderate-income geographies in the AA is near to the percentage of owner-occupied units in low- and moderate-income geographies in the AA. The market share of home

purchase loans originated in low- and moderate-income geographies is less than the bank's overall market share.

Home improvement loan geographic distribution is poor. The percentage of home improvement loans distributed among low- and moderate-income geographies in the AA is lower than the percentage of owner-occupied units in low- and moderate-income geographies in the AA. 2000 census data indicates 4.65% of the units in low-income geographies and 10.54% of the units in moderate-income geographies were owner-occupied. Considering the limited opportunities in these geographies and the bank's minimal market share for home purchases in the MSA, CNBT's performance is adequate. The market share of home improvement loans originated in low- and moderate-income geographies is less than the bank's overall market share.

Home refinance loan geographic distribution is adequate. The percentage of home refinance loans distributed among low-income geographies is lower than the percentage of owner-occupied units in low-income geographies in the AA. The percentage of home refinance loans distributed among moderate-income geographies is somewhat lower than the percentage of owner-occupied units in moderate-income geographies in the AA. The market share of home mortgage refinance loans originated in low- and moderate-income geographies is less than the bank's overall market share over the entire evaluation period.

Small Loans to Businesses

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

The geographic distribution of small loans to businesses is adequate. The percentage of small business loans made to businesses in low-income geographies is somewhat lower than the percentage of small businesses located in low-income geographies in the AA. The percentage of small business loans made to businesses in moderate-income geographies exceeds the percentage of small businesses located in moderate-income geographies in the AA. Market share data for small business lending is not available as CNBT was not required to report small business data until 2007.

Lending Gap Analysis

We evaluated the lending distribution in the bank's full-scope assessment area to determine if any unexplained conspicuous gaps existed. No unexplained conspicuous gaps were identified.

Inside/Outside Ratio

This portion of the evaluation was performed at the bank level. Affiliate lending was not included and therefore only small business, home improvement and community development loans were considered. CNBMC generates all home purchase and refinance loans. A substantial majority (88%) of small business, home improvement and community development loans were made within the bank's AA. By product, 87% of the small loans to businesses, 91% of home improvement and 100% of the CD loans were within the bank's AA. This performance was positively factored into the overall analysis of the geographic distribution of lending by income level of geography. Over the evaluation period, the bank also had a higher average quarterly loan-to-deposit ratio compared to banks of similar asset-size and geographic location.

Distribution of Loans by Income Level of the Borrower

The borrower distribution of CNBT's home mortgage and small business loans reflects adequate dispersion among borrowers of different income levels and businesses of different sizes in the AA. In the evaluation of borrower distribution of home mortgage loans, some consideration was given to the portion of the households living below the poverty level during the evaluation period. Due to reasons of affordability, it is unlikely that many of those with incomes below the poverty level would be involved in home mortgage financing. Accordingly, we considered this in evaluating the bank's lending distribution to low-income borrowers.

Home Mortgage Loans

ROCHESTER MSA

Refer to Tables 8, 9, and 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Home purchase loan borrower distribution is adequate. The percentage of home purchase loans made to low-income borrowers in the AA is significantly lower than the percentage of low-income families in the AA for the evaluation period. The percentage of home purchase loans made to moderate-income borrowers in the AA exceeds the percentage of moderate-income families in the AA. CNBT's market share for both low- and moderate-income borrowers is less than the overall market share in the MSA.

Home improvement loan borrower distribution is excellent. The percentage of home improvement loans made to low-income borrowers in the AA is near to the percentage of low-income families in the AA for the entire evaluation period. The percentage of home improvement loans made to moderate-income borrowers in the AA exceeds the percentage of moderate-income families in the AA for the entire evaluation period. CNBT's market share for low-income borrowers exceeds the overall market share in the MSA and the bank's market share for moderate-income borrowers is less than the overall market share in the MSA.

Home refinance loan borrower distribution is adequate. The percentage of home refinance loans made to low-income borrowers in the AA is significantly lower than the percentage of low-income families in the MSA for the entire evaluation period. The percentage of home refinance loans made to moderate-income borrowers in the AA exceeds the percentage of moderate-income families in the AA for the entire evaluation period. CNBT's market share for refinance loans to low- and moderate-income borrowers is less than the overall market share in the MSA.

Small Loans to Businesses

Refer to Table 11 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The borrower distribution of small loans to business is adequate. The percentage of bank loans is somewhat lower than the total number of businesses with revenues of \$1MM or less in the AA. However, community contacts identified the need for smaller business loans and approximately 80% of CNBT's loans to businesses were under \$100,000.

Community Development Lending

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

CNBT's level of Community Development (CD) lending had a neutral impact on the evaluation of its lending performance in the Rochester MSA. CNBT originated four loans for \$2.45 million in its assessment area during the evaluation period. Two loans, totaling \$250,000 were made to organizations that provide community services targeted to low- and moderate-income individuals. Two loans totaling \$ 2.2 million were for affordable housing and rehabilitation projects for low- or moderate-income individuals.

Product Innovation and Flexibility

Product innovation and flexibility had a neutral impact on the Lending Test conclusion. The bank offers standard government sponsored loan programs that provide flexible lending terms including - Federal Housing Administration (FHA), Fannie Mae, Freddie Mac, Veteran's Administration (VA), and Small Business Administration (SBA) loans. These programs include first-time homebuyer's programs with reduced fees, and down payment and/or closing cost assistance for low-moderate income individuals.

The bank also partners with the Federal Home Loan Bank of New York (FHLB NY) and NeighborWorks Rochester to provide loans under the First Home Club program. This program assists low- and moderate-income individuals and families earn a grant towards down payment and or closing costs associated with first home purchases. Assistance is granted to participants who successfully establish a dedicated savings account at the bank and make regular deposits during a 10 to 24 month period. The partnership began in late 2007 and the bank currently has fifteen participants.

The bank also offers a few innovative products for home-owners and small businesses. CNBT created an affordable home grant program to assist qualified low- and moderate-income individuals and families finance a property in a designated low-or moderate-income geography. The bank provides \$2,500 for owner-occupied homes located in low- income geographies and \$1,500 for owner-occupied homes located in moderate-income geographies. The bank has provided \$38,000 under this program since its inception in September 2007.

The bank also has a "Second Look" business loan program. CNBT provides a second look at businesses with lower credit scores for approval and offers flexible underwriting guidelines for businesses located in a low- or moderate-income geography. The bank started this program in late 2007 and has not had any participants to date.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test is rated "High Satisfactory." Based on full-scope reviews, the bank's performance in the Rochester MSA is good. During the evaluation period, CNBT had five investments totaling approximately \$3.9 million and total investments (current and prior period) of \$6.9MM. The bank also has an unfunded commitment to an affordable housing corporation of approximately \$1.7MM. In addition to investments, CNBT made 44 donations totaling \$146,500 to local community development organizations during the evaluation period.

Refer to Table 14 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

Current period investments had a positive impact on the AA. Of the five current period investments totaling \$3.9 million, three of the five investments were also prior period investments. In the prior evaluation period investments totaled approximately \$3MM. The bank has an unfunded commitment to an affordable housing corporation of approximately \$1.7MM.

One investment valued at \$2.4 million supported an SBA small business investment company (SBIC) that provides small business growth capital. The bank also has an ongoing investment in a venture fund targeted towards start-up, early-stage and turn around businesses in which the bank invested approximately \$530,000 over the evaluation period. The fund is a joint venture between the county's industrial development corporation and several financial institutions in the area. While these are not innovative investments they specifically address an identified community need for small business and start-up funding. The bank also invested \$600,000 into a CRA qualified Investment Fund that supports community development activities such as low-income housing, affordable healthcare, and job training. Additionally, approximately \$225,000 was invested in an affordable housing corporation and \$99,999 in a local community development credit union program dedicated to homeownership assistance.

The bank also extended forty-four qualified grants and donations totaling \$146,615 which benefited its Rochester MSA AA. These donations supported local non-profit organizations focusing on various community development initiatives which directly benefited and also includes serving the needs of low- and moderate-income Rochester MSA AA residents.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated "Low Satisfactory." Based on full-scope reviews, the bank's performance in the Rochester MSA is adequate.

Retail Banking Services

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

CNBT's delivery systems are reasonably accessible to geographies and individuals of different income levels throughout the full-scope AA. In the Rochester MSA, the distribution of CNBT's offices in low- and moderate-income geographies is significantly less than the distribution of the population living in these geographies. The bank has one branch in a low-income geography and one branch in a moderate-income geography. However, the main branch, located in a middle-income geography is easily accessible from the adjacent moderate-income geography. In addition, the Brighton and Lakeshore bank offices offer Saturday and Sunday hours which are also accessible to low- to moderate-income geographies in the Cities of Rochester and Canandaigua through available public transportation. Community contacts identified the lack of branch accessibility in the Rochester City region and the need for expanded delivery systems especially among low- to moderate-income geographies.

Since the last evaluation, the bank's branch network expanded by one temporary branch located in a middle-income geography. While the branch will not open until later this year, the temporary location is operational and has started accepting deposits and generating loans. The bank also opened a trust services office located in Geneva, which is located in a low-income geography. The office generates a few loans but it does not accept deposits or offer traditional banking services.

CBNT's hours and services offered throughout the full-scope AAs are good. Services offered are comparable among locations regardless of the income level of the geography. The majority of branch offices offer extended hours on various days of the week. Most branches offer Saturday hours and two branches are open on Sundays.

CNBT offers alternative delivery systems in the form of automated teller machines (ATMs). All of the bank's ATMs are located within the AA. Of the bank's 43 ATMs, 26 are on-site and 20 are located off-site. Twenty-one of the 46 ATMs accept deposits and these are all on-site. Six ATMs are located in low-moderate income geographies. Two on-site ATMs at Lakeshore branch and one off-site ATM in Canandaigua are located in moderate-income geographies. The bank has two off-site ATMs located in low-income geographies at the Rochester Regional Transit Service building, Strong Museum in Manhattan Square Park and one on-site ATM (cash dispensing only) located in the Geneva trust office. In addition, there is an ATM located at Rank's IGA store. While this ATM is located in a middle-income geography, it is within close proximity of a moderate-income geography and because it is the only market in the City of Rochester it provides convenient access for all residents. Many of the bank's ATMs are accessible to low- and moderate-income individuals based on their proximity to low-moderate-income geographies in the AA and available public transportation.

Customers and non-customers can access their accounts through CNBT ATMs which are connected to the CIRRUS, NYCE, PLUS, MasterCard, Visa, Amex, Pulse/Honor, and Discover ATM systems. Customers may also use their CNBT card for ATM and POS transactions at all non-proprietary ATMs and POS worldwide that bear these network logos. The bank also provides rebates up to four ATM fees charged at non-bank locations each statement cycle depending on the customer's account type.

The bank also offers alternative delivery systems for retail banking including the Customer Call Center, CNB Banker Voice Telephone Banking, CNBT Online banking, CNBT Online Banking for Business, CNBT Bill pay and Text Teletypewriter (TTY) for the deaf and hearing impaired. We did not place significant weight on these alternative delivery systems because no data was available to determine the impact of these retail-banking services on low and moderate-income geographies and individuals.

Recipients (customer or non-customer) of New York State Public Assistance through the Electronic Benefits Transfer Program (EBT) can withdraw funds from any CNBT ATM free of charge.

Community Development Services

The bank's performance in providing community development services is good within the Rochester MSA.

During the evaluation period, in the Rochester MSA, 23 officers and employees provided technical services and support to 23 qualified community development organizations. Personnel are members of the boards of directors, finance committees and loan committees of organizations that provide community development services. The organizations support affordable housing and community services targeted towards low- and moderate-income individuals, and support economic development by financing small businesses. CNBT is also involved in several financial literacy and credit education programs targeted towards low- and moderate-income individuals in both the general public and local school districts.

Appendix A: Scope of Examination

Time Period Reviewed	Lending Test (excludes CD Loans): (01/01/05 to 12/31/07) Investment and Service Tests and CD Loans: (04/08/05 to 04/10/08)	
Financial Institution	Products Reviewed	
The Canandaigua National Bank and Trust Company (CNBT) Canandaigua, New York	Home Improvement loans, Small Business loans, Community Development loans,	
Affiliate(s)	Affiliate Relationship	Products Reviewed
CNB Mortgage Company (CNBTMC)	Mortgage company	Home purchases, Home refinances
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Rochester MSA # 40380	Full-Scope	

Appendix B: Market Profiles for Full-Scope Areas

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

Rochester NY MSA

Demographic Information for Full Scope Area: Rochester MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	200	19.00	17.50	37.00	25.00	1.50
Population by Geography	797,616	11.23	13.44	42.07	32.83	0.43
Owner-Occupied Housing by Geography	205,360	4.65	10.54	45.67	39.15	0.00
Business by Geography	51,813	11.74	13.48	40.48	34.21	0.09
Farms by Geography	1,312	2.06	5.87	53.05	39.02	0.00
Family Distribution by Income Level	202,926	20.03	17.55	21.93	40.49	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	76,263	20.87	19.33	41.52	18.29	0.00
Median Family Income HUD Adjusted Median Family Income for 2007 Households Below Poverty Level		53,852 62,000 11%	Median Housing Value Unemployment Rate (2007 Department of Labor Statistic)	98,426 4.80%		

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2000 U.S. Census, 2007 Department of Labor Statistics and 2007 HUD updated MFI.

The bank’s AA includes portions of the Rochester MSA. CNBT’s AA is concentrated in four counties in the Finger Lakes region of upstate New York. The AA includes all of Ontario county (Bristol, Canandaigua, East Bloomfield, Farmington, Gorham, Hopewell, Manchester, Naples, Phelps, Richmond, Victor, and West Bloomfield), eastern and central Monroe County (Brighton, Chili, East Rochester, Fairport, Gates, Greece, Henrietta, Irondequoit, Mendon, Penfield, Perinton, Pittsford, Rochester, and Webster), towns along the western border of Wayne County (Macedon, Ontario, and Walworth) and towns along the eastern border of Livingston County (Lima and Livonia). One hundred percent of the bank’s deposits are located in the assessment area and according to FDIC June 2007 deposit market share reports, CNBT ranks fifth in the area with an 8.5% deposit market share. HSBC ranks first in deposit market share with 20.44% of deposits with M&T Trust Co., capturing the second largest deposit market share at 17.73%; JP Morgan Chase Bank has the third largest deposit market share with 15.70% of deposits.

The competition among financial service providers is strong. CNBT competes with large regional banks, large credit unions and various community and savings banks. CNBT is a full service lender offering a broad menu of lending products that include business loans, home mortgage loans through its affiliate CNBT Mortgage, home equity loans, and consumer loans. The bank’s business focus is primarily on retail and commercial lending.

The assessment area consists of 19% low-income geographies, 17.50% moderate-income geographies, 37% middle-income geographies and 25% upper-income geographies. As of the 2000 Census, 11% of the population lives below the poverty level. The unemployment rate in Rochester was 4.4% according 2007 Moodys Economic Reports. Major employers in the area include the University of Rochester, Ontario County Government, Wegman's Food Market, Eastman Kodak Company and Xerox Corporation. Rochester has had below average subprime mortgage exposure and housing prices have only modestly appreciated. Housing remains affordable in the area, but community contacts mentioned the significant number of foreclosures that have occurred in the region. Outside of New York City and Long Island, Monroe County has the highest number of foreclosures in New York State. The Rochester area has been heavily dependent on a now declining manufacturing industry, but Rochester is moving towards developing itself as a high-technology corridor (especially Ontario County) and continues to provide incentives to attract new businesses.

Eighty-four percent of the housing in the AA is one-to-four family units and 16% is multi-family housing units. Of total housing units, 62% is owner-occupied, 32% is renter-occupied, and 7% is vacant. The weighted average of median housing value was \$98,426 in 2000. Housing stock consists mostly of older homes with the median year built of 1959 and many are in need of repair.

According to the 2006 business demographics, there are 52,859 businesses in the AA, of which 2.5% are farms. Within the AA, 64.68% of non-farm businesses had revenues less than \$1million (28% of business did report revenues). Approximately 65% of businesses reported having less than ten employees. The top three industries in the AA are services (representing 40% of Rochester industries), retail trade (representing 15%) and construction (representing 8%). According to community contacts, there are a number of community development opportunities available in the AA.

Three community contacts were made in conjunction with this review, one in Ontario County and two in Monroe County. The contacts are involved with affordable housing and economic development in the region. Small business lending, especially start-up funding was identified as a primary need in the area. In addition, smaller and micro-sized loans were identified as a need among businesses so that businesses can obtain reasonable funding without having to use high interest rate credit cards. Another primary credit need is affordable housing and rehabilitation. While housing prices have not significantly appreciated, housing assistance is still needed for low-moderate income individuals and the housing stock is significantly old and in need of repair.

Appendix C: Tables of Performance Data

Content of Standardized Tables

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

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank's assessment area may receive positive CRA consideration. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories. **Table not included.**
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. **Table not included.**
- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area. **Table not included.**
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available. **Table not included.**
- Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area. **Table not included.**

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

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

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

Table 1. Lending Volume

Institution ID: CANANDAIGUA NATIONAL BANK (1000003817) (Included)

LENDING VOLUME		Geography: ROCHESTER MSA						Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31, 2007				
MA/Assessment Area (2007):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
Rochester MSA	100	3,328	391,622	2,691	232,524	8	568	4	2,450	6,031	627,164	100.00

* Loan Data as of December 31, 2007. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 01, 2007 to December 31, 2007.

*** Deposit Data as of May 13, 2008. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Institution ID: CANANDAIGUA NATIONAL BANK (1000003817) (Included)

Geographic Distribution: HOME PURCHASE 31, 2007		Geography: ROCHESTER MSA								Evaluation Period: JANUARY 1, 2005 TO DECEMBER					
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Rochester MSA	1,660	100	4.65	1.57	10.54	9.28	45.67	44.88	39.15	44.28	0.97	0.31	0.49	1.06	1.15

* Based on 2006 Peer Mortgage Data (Eastern)

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

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Institution ID: CANANDAIGUA NATIONAL BANK (1000003817) (Included)

Geographic Distribution: HOME IMPROVEMENT DECEMBER 31, 2007		Geography: ROCHESTER MSA								Evaluation Period: JANUARY 1, 2005 TO					
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
Rochester MSA	449	100	4.65	0.45	10.54	5.35	45.67	55.90	39.15	38.31	4.31	0.00	1.91	4.73	5.27

* Based on 2006 Peer Mortgage Data (Eastern)

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

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Institution ID: CANANDAIGUA NATIONAL BANK (1000003817) (Included)

Geographic Distribution: HOME MORTGAGE REFINANCE DECEMBER 31, 2007			Geography: ROCHESTER MSA								Evaluation Period: JANUARY 1, 2005 TO				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Rochester MSA	1,206	100	4.65	2.40	10.54	7.13	45.67	47.43	39.15	43.03	2.79	0.57	1.29	2.72	3.61

* Based on 2006 Peer Mortgage Data (Eastern)

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

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 6. Geographic Distribution of Small Loans to Businesses

Institution ID: CANANDAIGUA NATIONAL BANK (10000003817) (Included)

Geographic Distribution: SMALL LOANS TO BUSINESSES DECEMBER 31, 2007		Geography: ROCHESTER MSA								Evaluation Period: JANUARY 1, 2005 TO					
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Rochester MSA	2,691	99.67	11.74	9.77	13.48	14.05	40.48	37.72	34.21	38.46	0.00	0.00	0.00	0.00	0.00

* Based on 2006 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2007).

Table 8. Borrower Distribution of Home Purchase Loans

Institution ID: CANANDAIGUA NATIONAL BANK (1000003817) (Included)

Borrower Distribution: HOME PURCHASE 2007		Geography: ROCHESTER MSA								Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31,					
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families***	% BANK Loans****	% Families ¹	% BANK Loans**	% Families***	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Rochester MSA	1,660	100.00	20.03	8.39	17.55	23.16	21.93	25.78	40.49	42.67	1.13	1.07	0.85	0.74	1.62

* Based on 2006 Peer Mortgage Data (Eastern)

** As a percentage of loans with borrower income information available. No information was available for 0.9% of loans originated and purchased by bank.

*** Percentage of Families is based on the 2000 Census information.

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

¹ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 9. Borrower Distribution of Home Improvement Loans

Institution ID: CANANDAIGUA NATIONAL BANK (1000003817) (Included)

Borrower Distribution: HOME IMPROVEMENT DECEMBER 31, 2007		Geography: ROCHESTER MSA								Evaluation Period: JANUARY 1, 2005 TO					
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share [*]				
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ²	% BANK Loans ^{****}	% Families [*] **	% BANK Loans ^{****}	% Families [*] **	% BANK Loans ^{****}	Overall	Low	Mod	Mid	Upp
Full Review:															
Rochester MSA	449	98.46	20.03	18.26	17.55	23.16	21.93	22.94	40.49	35.63	4.48	4.81	3.62	3.73	5.75

^{*} Based on 2006 Peer Mortgage Data (Eastern)

^{**} As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

^{***} Percentage of Families is based on the 2000 Census information.

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

² Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Institution ID: CANANDAIGUA NATIONAL BANK (10000003817) (Included)

Borrower Distribution: HOME MORTGAGE REFINANCE DECEMBER 31, 2007		Geography: ROCHESTER MSA								Evaluation Period: JANUARY 1, 2005 TO					
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share [*]				
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ³	% BANK Loans ^{****}	% Families [*] **	% BANK Loans ^{****}	% Families [*] **	% BANK Loans ^{**} **	Overa ll	Low	Mod	Mid	Upp
Full Review:															
Rochester MSA	1,206	97.73	20.03	8.00	17.55	21.04	21.93	27.19	40.49	43.77	3.21	2.11	2.55	3.29	3.96

^{*} Based on 2006 Peer Mortgage Data (Eastern)

^{**} As a percentage of loans with borrower income information available. No information was available for 1.5% of loans originated and purchased by bank.

^{***} Percentage of Families is based on the 2000 Census information.

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

³ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 11. Borrower Distribution of Small Loans to Businesses

Institution ID: CANANDAIGUA NATIONAL BANK (1000003817) (Included)

Borrower Distribution: SMALL LOANS TO BUSINESSES DECEMBER 31, 2007		Geography: ROCHESTER MSA			Evaluation Period: JANUARY 1, 2005 TO				
	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share	
MA/Assessment Area:	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Rochester MSA	2,691	99.67	65.19	52.84	79.82	11.63	8.55	0.00	0.00

* Based on 2006 Peer Small Business Data -- US and PR

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

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2007).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 12.52% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Institution ID: CANANDAIGUA NATIONAL BANK (1000003817) (Included)

Borrower Distribution: SMALL LOANS TO FARMS DECEMBER 31, 2007			Geography: ROCHESTER MSA				Evaluation Period: JANUARY 1, 2005 TO		
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share [*]	
	#	% of Total ^{**}	% of Farms ^{***}	% BANK Loans ^{****}	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Rochester MSA	8	100.00	96.11	87.50	87.50	12.50	0.00	0.00	0.00

^{*} Based on 2006 Peer Small Business Data -- US and PR

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

^{***} Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2007).

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

Table 14. Qualified Investments

Institution ID: **CANANDAIGUA NATIONAL BANK (1000003817) (Included)**

QUALIFIED INVESTMENTS		Geography: ROCHESTER				Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31, 2007			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Rochester MSA	3	\$2,978,194	5	\$3,863,732	8	\$6,841,926	100%	1	\$1,666,700

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

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

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

Institution ID: CANANDAIGUA NATIONAL BANK (1000003817) (Included)

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: ROCHESTER Evaluation Period: April 04,2005 TO April 10, 2008																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Rochester	100	21	100	5.00	5.00	48.00	42.00	1	0	0		1		11.23	13.44	42.07	32.83