



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

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COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Glens Falls National Bank and Trust Company
Charter Number: 7699

250 Glen Street
Glens Falls, NY 12801-9989

Office of the Comptroller of the Currency

UPSTATE NEW YORK (SYRACUSE)
500 Brittonfield Parkway Suite 102
East Syracuse, NY 13057

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 Glens Falls National Bank and Trust Company with respect to the Lending, Investment, and Service Tests:

Performance Levels	Glens Falls National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			X
High Satisfactory	X	X	
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

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

The major factors that support this rating include:

- Lending levels that reflect an excellent responsiveness to the credit needs of its assessment area (AA).
- An excellent distribution of loans among geographies of different income levels throughout the AA.
- An adequate distribution of loans among borrowers of different income levels throughout the AA.
- A good level of community development lending that had a positive impact on the bank's lending performance.
- Flexible lending products that had a positive impact on the bank's lending performance.
- Investments that reflect good responsiveness to the credit and community development needs of the AA.
- Service delivery systems that are readily accessible to geographies and individuals of different income levels in the AA.
- Excellent 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

Glens Falls National Bank (GFNB) is headquartered in Glens Falls, New York and is a wholly owned subsidiary of Arrow Financial Corporation (AFC), a \$1.7 billion multi-bank holding company (as of September 30, 2011). Saratoga National Bank and Trust Company is also a subsidiary of AFC.

GFNB has nine wholly owned subsidiaries. Arrow Properties Incorporated is a real estate investment trust (REIT), and its assets consist of residential real estate mortgage loans, commercial mortgages, mortgage backed securities, and other consumer real estate loans. Other bank subsidiaries include North Country Investment Advisors, Inc. (registered investment advisor to the North Country Funds, Inc.), Capital Financial Group, Inc., Arrow Leasing, GFN Community Development Corporation, and US Benefits. North Country Funds, Inc. is a mutual fund administered by the bank. Three insurance companies were acquired by the bank during the evaluation period (Loomis and Lapann, Inc., Upstate Insurance Agency, LCC, and McPhillips Insurance Agencies). These operating subsidiaries had no impact on the bank's capacity to lend or invest in the AAs where it operates.

GFNB is a full service intrastate bank with 28 full service branches and one drive-up branch serving the northeast section of New York State in the counties of Warren, Washington, and portions of Clinton, Essex, and Saratoga. During the evaluation period, the bank opened new branches in Greenwich, N.Y. and Queensbury, N.Y. The bank also has an ATM located in the Glens Falls Hospital. GFNB offers a wide range of financial services. In addition to traditional loan products and deposit services, the bank offers a variety of trust services, non-deposit investment products, brokerage services, and insurance products.

As of September 30, 2011, GFNB had \$1.7 billion in total assets that included \$906 million in net loans, representing 54% of total assets. Since September 30, 2010, total assets decreased by \$20 million, or approximately 1%. During the same time period, net loans decreased \$28 million, or approximately 3%. As of September 30, 2011, the bank's loan mix consisted of 63% real estate loans, 27% loans to individuals, 7% commercial loans, and 3% other loans. The bank remains a large originator of indirect automobile loans both inside and outside of its assessment areas (AAs). As of September 30, 2011, GFNB reported net Tier 1 Capital of \$141 million.

GFNB operates in a very competitive financial market with strong competition from national mortgage companies, large regional banks, credit unions, savings banks, community banks, and finance companies. GFNB is not subject to any known financial, legal, or regulatory restrictions that would impede its ability to help meet the credit needs of its AAs.

GFNB's last CRA examination was December 7, 2008, at which time the bank's performance was rated "Satisfactory".

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period covers January 1, 2008, through December 31, 2010, for HMDA loans and small business loans. HMDA loans include home purchase, home improvement, and refinance mortgage loans. The evaluation period for Community Development (CD) loans, investments, and services is from December 8, 2008, through November 6, 2011. This represents the time period between the start dates of the bank's last and current CRA exams. The market share and peer comparisons are based on the information contained in the aggregate HMDA and Small Business Registers for 2010. The aggregate HMDA and Small Business Reports are available for public review.

The CD loan and investment information presented in the tables cover the full evaluation period for these items. The peer comparisons in this report include only lenders who were required to file HMDA and Small Business Registers for 2010. Any lender with significant mortgage loan activity operating in the bank's AA was required to file a HMDA report for these years. Small business reporting for 2010 was required only of bank and thrift institutions with assets of \$1.098 billion or more as of December 31st of the prior two calendar years preceding the reporting year.

For the Lending Test, we evaluated the bank's origination of home mortgage loans, small business loans, and CD loans. We did not evaluate the bank's origination of small farm loans or multi-family dwelling loans, as the volume was not significant enough to perform a meaningful analysis.

Data Integrity

We performed a data integrity examination of the loan information discussed in the Evaluation Period/Products Evaluated section above. The results of our review showed the bank's data to be accurate and reliable.

Selection of Areas for Full-Scope Review

We performed a full-scope examination of the bank's Glens Falls MSA AA since the majority of loan originations, branches, and deposits are within the AA. During the evaluation period, approximately 66% of the bank's AA loans were made in the Glens Falls MSA AA. As of June 30, 2011, 72% of the bank's deposits were in the Glens Falls MSA AA. As of the examination date, 69% of the bank's branches were in this AA.

Ratings

The bank's overall rating is based primarily on the review of the bank's one full-scope AA. The bank's leading product in the Glens Falls MSA AA was home mortgage loans, representing 54% of the number and 51% of the dollars for loans originated during the evaluation period. Small business loans accounted for 46% of the number and 49% of the dollar amount of originated loans. Among the number of originated home mortgage loans, 44% were home improvement loans, 28% were home purchase loans and 28% were home mortgage refinance

loans. When determining conclusions for the Lending Test, home mortgage loans received slightly higher weighting than small business loans. Within the home mortgage category, home improvement loans were weighted most heavily, followed by home purchase and refinance loans which were equally weighted. This weighting is reflective of the bank's volume by loan type over the evaluation period.

Other

Two community contacts were made in conjunction with this examination, both of them serving the full-scope AA counties of Warren and Washington. The missions of the organizations contacted included affordable housing and providing services to people of low and moderate-income. Collectively, the contacts were knowledgeable regarding issues of affordable housing, services to low and moderate-income individuals, and community development opportunities.

Both contacts noted the need for affordable housing. This included both first time homebuyers and apartment units. Both contacts also noted the aging housing stock and the need to rehabilitate and modernize properties in the AAs. The contacts also noted the need to improve financial literacy and support for community development services targeted to assist the low- and moderate-income people of the AAs. The identified needs were considered in our evaluation of GFNB's performance under the Lending, Investment, and Service Tests. Refer to the Market Profile in Appendix B 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 High Satisfactory. Based on the full-scope review, the bank's performance in the Glens Falls MSA AA is good.

Lending Activity

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

GFNB's lending activity is excellent. As of June 30, 2011, GFNB ranked first in deposit market share with 46.44% of all area deposits in its full-scope AA. Based on 2010 CRA aggregate lending data, the bank ranked first as an originator/purchaser of small loans to businesses, with an 18.13% market share. The bank also ranked tied for first when considering only small loans made to small-sized businesses (annual revenues of \$1 million or less), with a 16.41% market share. When considering total dollar amount, the bank ranked first in small loans to businesses with 42.6% market share.

GFNB ranked first overall in the origination or purchase of home mortgage loans in the Glens Falls MSA AA based on the 2010 peer mortgage data with an 11.4% market share. GFNB ranked second in the origination or purchase of home purchase loans with a 7.90% market share based on 2010 peer mortgage data. GFNB ranked first in home improvement loans with a 44.81% market share, and tied for fourth in home refinance loans with a 6.87% market share according to the 2010 peer mortgage data. The home refinance market was very competitive with the market leader (a large multi-national banking company) having approximately a 9.6% of the market. Originators with a higher market share are either national mortgage companies or larger financial institutions.

Distribution of Loans by Income Level of the Geography

The geographic distribution of GFNB's home mortgage loans and small loans to businesses reflects overall excellent penetration throughout the full-scope AA.

Home Mortgage Loans

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

The overall geographic distribution of home mortgage loans is excellent. Our geographic distribution analysis is based on the bank's lending activities in the moderate income census tracts of its full-scope AA. GFNB does not have any low-income census tracts in either its full-scope or limited-scope AAs.

The overall geographic distribution of home purchase loans is good. The portion of home purchase loans made in moderate-income census tracts was near to the portion of owner-occupied housing units in those census tracts during the evaluation period. GFNB's market share of home purchase loans originated in moderate-income census tracts is lower than its overall market share of home purchase loans.

The overall geographic distribution of home improvement loans is excellent. The portion of home improvement loans made in moderate-income census tracts exceeded the portion of owner-occupied housing units in those census tracts during the evaluation period. GFNB's market share of home improvement loans originated in moderate-income census tracts is near to its overall market share of home improvement loans.

The overall geographic distribution of home refinance loans is good. The portion of home refinance loans made in moderate-income census tracts was near to the portion of owner-occupied units in those census tracts during the evaluation period. GFNB's market share of home refinance loans originated in moderate-income census tracts exceeded its overall market share of home refinance loans.

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 excellent. The portion of loans made in moderate-income census tracts exceeded the portion of businesses that are within those census tracts during the evaluation period. The bank's market share for small business loans in moderate-income census tracts exceeded its overall market share for small loans to businesses.

Lending Gap Analysis

Reports detailing GFNB's lending activity over the evaluation period for home mortgage loans and small loans to businesses were reviewed to identify gaps in the geographic distribution of loans. No unexplained conspicuous gaps were identified.

Inside/Outside Ratio

A substantial majority (91%) of the home mortgage loans, small business loans, and CD loans were made within the bank's AAs. By product, 94% of the bank's home mortgage loans, 87% of the small loans to businesses, 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.

Distribution of Loans by Income Level of the Borrower

The borrower distribution of GFNB's home mortgage loans and small loans to businesses reflects an overall adequate dispersion among borrowers and households of different income levels and businesses of different sizes.

Home Mortgage Loans

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.

The overall distribution of home mortgage loans is adequate. In the evaluation of borrower distribution of home mortgage loans, we gave consideration to the portion of households living below the poverty level during the evaluation period. For the full-scope AA, 9.28% of the households were considered below the poverty level. Due to reasons of affordability, it is unlikely that those households with incomes below the poverty level would be involved in home mortgage financing. We considered this fact in our evaluation of the bank's lending performance to low-income borrowers.

Home purchase loan borrower distribution is adequate. The portion of loans made to moderate-income borrowers was near to the portion of families defined as such in the evaluation period. The portion of loans made to low-income borrowers was significantly less than the percentage of families defined as such in the evaluation period, but was adequate when considering the percentage of households living below the poverty level. The bank's market share for home purchase loans made to both low- and moderate-income borrowers was somewhat lower than its overall market share for those loans.

Home improvement loan borrower distribution is excellent. The portion of loans made to moderate-income borrowers is near to the portion of families defined as such in the evaluation period. The portion of loans made to low-income borrowers was somewhat lower than the percentage of families defined as such in the evaluation period, but was excellent when considering the percentage of households living below the poverty level. The bank's market share for home improvement loans made to both low- and moderate-income borrowers exceeded its overall market share for those loans.

Refinance loan borrower distribution is adequate. The portion of loans made to moderate-income borrowers was somewhat lower than the portion of families defined as such in the evaluation period. The portion of loans made to low-income borrowers was lower than the percentage of families defined as such in the evaluation period, but was good when considering the percentage of households living below the poverty level. The bank's market shares for refinance loans made to both low- and moderate-income borrowers were somewhat lower than its overall market share for those loans.

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 businesses is adequate. The portion of small loans made to small businesses (businesses with revenues of \$1 million or less) was lower than the portion of businesses defined as such in the evaluation period. The portion of loans of \$100,000 or less was near to the portion of business loans defined as such in the AA in the evaluation period. The bank's market share of small loans to small businesses was near to its overall market share for small loans to all businesses.

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. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

GFNB's level of community development lending was good, and had a positive impact on the evaluation of its lending performance activity.

The bank originated 14 community development loans and lines of credits totaling \$6.4 million in its full-scope AA during the evaluation period. Twelve loans totaling \$5.5 million were made to nonprofit organizations that provide community services primarily targeted to low and moderate-income individuals. Two loans totaling \$900 thousand were made to an economic development organization and a nonprofit organization whose missions or objectives are to create or retain job opportunities for low and moderate income individuals and to help redevelop the Glens Falls central city business district which is located in a moderate-income census tract. None of the community development loans were considered complex or innovative.

Product Innovation and Flexibility

GFNB's flexible mortgage lending programs had a positive impact on the evaluation of its lending performance. Flexible lending programs are described below.

Glens Falls National Bank Economic Stimulus Program

GFNB allocated \$50 million towards the purchase of new and existing homes for qualified buyers. The program featured a 25 basis point reduction off of the standard interest rate and a \$500 rebate of closing costs. GFNB originated 60 loans totaling \$8,120,000 during the evaluation period.

State of New York Mortgage Agency (SONYMA)

GFNB participates in three SONYMA loan programs for first time homebuyers. The programs featured below conventional interest rates and down payments as well as closing cost assistance for qualified borrowers and properties.

- Achieve the Dream Loan Program - a 30 or 40 year fixed-rate term with a below conventional rate of interest.
- Low Interest Rate Loan Program - a 30 or 40 year fixed-rate term with a below conventional rate of interest.
- Construction Incentive Program - a 30-year fixed below conventional rate for first four years, and a fixed-rate for remaining 26 years. Zero down payment for new construction.

GFNB originated three SONYMA loans totaling \$305,000 during the evaluation period.

First Home Club

A first time homebuyers program that GFNB participates in conjunction with the Federal Home Loan Bank. Low to moderate-income applicants are pre-qualified for a mortgage and set up on a systematic plan to save for a conventional mortgage down payment and closing costs. Savings plans cover a 10-24 month period. Savings are matched \$4 for every \$1 saved, up to a total matching amount of \$7,500.

GFNB originated three First Home Club loans of \$219,000 during the evaluation period.

Home Possible Mortgages

This program offers low-to-moderate income borrowers and borrowers in under-served areas flexible underwriting, low down payments options, expanded loan-to-value ratios, reduced PMI premiums, and other special underwriting features.

GFNB originated one Home Possible Mortgage totaling \$102,000 during the evaluation period.

Federal Housing Administration (FHA) 203b Mortgages

GFNB participates in the FHA 203b program, which is designed to provide mortgage insurance for individuals to purchase or refinance a primary residence. Borrowers are eligible for approximately 97% financing.

GFNB originated 68 FHA 203b mortgages totaling \$9,389,000 during the evaluation period.

Government Grant Mortgage Programs

GFNB participates in assisting first time homebuyers achieve homeownership through various government grant programs, including the City of Glens Falls Grant Program, Clinton County Housing Assistance Program, Housing Assistance Program of Essex County, Homefront Development Purchase Assistance, and the Section 8 Housing Assistance Voucher Program.

The bank typically waives the application fee and provides a lower than conventional interest rate in conjunction with these programs.

GFNB originated a total of three loans for \$205,000 in conjunction with these government grant programs during the evaluation period.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on our limited-scope reviews, the bank's performance under the lending test in the Non MSA AA is not inconsistent with the bank's overall Lending Test rating. The bank's performance under the lending test in the Saratoga County AA is stronger than the full scope AA, but the amount of lending activity represents only 12% of the bank's overall lending. The stronger lending performance in the Saratoga County AA did not impact the rating arrived at for the full-scope AA. Refer to Tables 1 through 11 in Appendix C for the facts and data that support these conclusions.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test is rated High Satisfactory. Based on the full-scope review, the bank's performance in the Glens Falls MSA AA is good.

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 and prior period investments in the full-scope AA were \$3.2 million and \$433 thousand, respectively. Approximately \$2.5 million were investments that contributed to the revitalization or stabilization of moderate-income geographies. The majority of the remaining portion of the investment total represents investments in and numerous donations to nonprofit organizations that provide services to low- and moderate-income (LMI) individuals. In addition, the bank increased its investment in its Community Development Corporation (CDC) by \$49 thousand during the evaluation period.

The bank's wholly owned subsidiary, the Glens Falls National Community Development Corporation (GFNCDC), was incorporated in September 2005 as a means to purchase, renovate, and price to sell properties to LMI individuals in areas in need of revitalization. Housing rehabilitation of the aging housing stock is an identified need for the bank's AAs.

During the evaluation period, the GFNCDC renovated properties in the cities of Glens Falls and Ticonderoga. The Glens Falls property has been sold and the GFNCDC has the Ticonderoga property currently on the market. The GFNCDC will continue to research properties for possible renovation in Glens Falls and surrounding communities.

Conclusions for Area Receiving Limited-Scope Reviews

Based on limited-scope reviews, in the Saratoga County AA, the bank's performance is stronger than the full-scope AA performance. In the Non MSA AA, the bank's performance is

weaker than the full-scope AA performance. The performance in the Saratoga AA is stronger due to a proportionally higher volume of investments. The performance in the Non MSA AA is weaker due to a significantly lower volume of investments. The performance difference in the Saratoga County AA helped the full-scope AA to arrive at the investment rating. Please refer to Table 14 in Appendix C for the facts and data that support these conclusions.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the service test is rated Outstanding. Based on the full-scope review, the bank's performance in the Glens Falls MSA AA is excellent.

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.

The bank's service delivery systems are readily accessible to individuals living in the moderate-income census tracts in the AA. Four of the 33 census tracts in the AA are designated as moderate-income census tracts. There are three full-service branches, or 15% of its branches in the AA, located in moderate-income census tracts. The percentage of branches exceeds the percentage of the population (10%) living in moderate-income census tracts. The hours and services offered at the branches are comparable regardless of the income level of the geography. Hours of branch operations are in-line with competitors operating in the same census tracts. Two branch openings occurred during the evaluation period in the full scope AA. The new branches were opened in a middle-income and upper-income census tract, respectively.

GFNB offers the alternative delivery system in the form of ATMs. ATMs are located in 19 of the bank's 20 branches in the AA. All of the branches located in moderate-income census tracts have ATMs. The bank also has an ATM in the lobby of the Glens Falls Hospital which is located in a moderate-income census tract.

Recipients of New York State Public Assistance through the Electronic Benefits Transfer Program (EBT) can withdraw funds from any GFNB ATM free of charge. This service provides low-income people convenient access to their funds.

In addition to ATMs, the bank offers the alternative delivery system of Internet banking. The service allows customers to access account balance information, make transactions, and pay bills online. There is no charge for the basic service, but the bank charges a monthly fee for online bill pay. For people without access to a computer, the bank offers a bank-by-phone option. 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.

The bank offers a basic low-cost banking account that is affordable for people with low or moderate-incomes. The account requires only \$1 to open, has no minimum balance

requirement, and allows eight free checks per month for a monthly maintenance fee of \$3. Other deposit services include an interest bearing checking account with a low minimum balance requirement, and a checking account that has no service fee for accounts that maintain a minimum balance of \$200.

Community Development Services

GFNB's performance in providing community development (CD) services is excellent.

Bank employees support CD organizations in the AA by offering financial expertise to these organizations. Numerous employees serve on the boards of directors, or serve in some other financially related positions in these organizations. These positions include serving as treasurers or as members of the loan committees. During the evaluation period, employees participated in 28 activities that qualified as CD Services. These activities resulted in approximately 1,400 hours of service annually. Services provided by these organizations included:

- Affordable housing for LMI individuals
- Affordable health care primarily for LMI individuals
- Services for the homeless
- Home care primarily for LMI individuals
- Job creation and development for LMI individuals and moderate-income geographies

In addition to bank employees serving in these capacities, the bank provides loan processing services free of charge to seven organizations that provide CD services to their clients.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the service test in the Non MSA AA is weaker than the full-scope AA. The bank's performance in the Saratoga AA is stronger than the bank's full-scope AA. No branch locations are in the moderate income geographies located in the Non MSA AA, but both bank branches in the Saratoga AA are in moderate-income geographies. The performance differences did not change the overall service test rating. Please refer to Table 15 in Appendix C for the facts and data that support these conclusions.

Appendix A: Scope of Examination

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”).

Time Period Reviewed	Lending Test (excludes CD Loans): (01/01/08 to 12/31/2010) Investment and Service Tests and CD Loans: (12/08/08 to 11/06/11)	
Financial Institution	Products Reviewed	
Glens Falls National Bank and Trust Company (GFNB) Glens Falls, New York	HMDA and Small Business Loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Glens Falls MSA AA Non MSA AA Saratoga County AA	Full-Scope Limited-Scope Limited-Scope	

Appendix B: Market Profiles for Full-Scope Areas

(Glens Falls MSA)

Demographic Information for Full Scope Area: Glens Falls MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	33	0.00	12.12	78.79	9.09	0.00
Population by Geography	124,345	0.00	10.39	74.77	14.84	0.00
Owner-Occupied Housing by Geography	34,670	0.00	7.87	76.58	15.56	0.00
Business by Geography	9,537	0.00	11.94	68.31	19.75	0.00
Farms by Geography	508	0.00	2.56	89.17	8.27	0.00
Family Distribution by Income Level	33,048	17.50	19.41	24.45	38.65	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	12,196	0.00	14.37	74.46	11.17	0.00
Median Family Income	45,141	Median Housing Value		91,276		
HUD Adjusted Median Family Income for 2010	59,600	Unemployment Rate (September 2011 NYS DOL statistics)		7.10%		
Households Below Poverty Level	9.28%					

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2000 US Census and 2010 HUD updated MFI

The Glens Falls MSA AA consists of the entire Glens Falls MSA, which includes Warren and Washington Counties. The AA meets the requirements of the regulation and does not arbitrarily exclude low or moderate-income geographies. The composition of the AA by income level is 4 moderate-income census tracts (12%), 26 middle-income census tracts (79%), and 3 upper-income census tracts (9%).

The competition among financial service providers in the AA is strong. In addition to competition with other community banks, the bank competes with national mortgage companies, large regional and national banks, credit unions, finance companies, and national credit card companies. GFNB is a full-service lender offering a broad range of lending products. The bank's lending focus is consumer, residential mortgage, and commercial loans.

Housing in the AA consists of 87% 1-4 family units, 5% multi-family units, and 8% mobile homes or trailers. Approximately 22% of the housing units are vacant. Of those units that are occupied, 72% are owner-occupied and 28% are renter-occupied. The weighted average of median housing value was \$91,276 in 2000. Housing stock consists mostly of older homes with the median year built of 1960.

According to the 2010 business demographics, there were 9,646 businesses in the AA, of which 508 were farms. Approximately 77% of non-farm businesses have revenues of \$1 million or less, 4% of the non-farm businesses have revenues exceeding \$1 million, and 19% of non-farm businesses did not report their revenues. Approximately 71% of the businesses reported having less than 10 employees. The primary industries in the AA are services 47%, retail trade 16%, and construction 8%. The largest employer in the AA is Glens Falls Hospital with approximately 2,800 employees, followed by Boston Scientific/Navilyst Medical, C.R. Bard, the Sagamore Resort, and Finch Pruyn. The region has evolved from a traditional

manufacturing base (paper, cement, textiles) to medical device manufacturing and a service industry led by financial services, health care, and education.

Two community contacts were made in conjunction with this examination. The contacts represented organizations that serve the counties of Warren and Washington by providing affordable housing and community development services to low and moderate-income individuals residing in the area. Primary credit needs identified by these contacts included affordable housing, financial literacy assistance, and funding for the rehabilitation and modernization of the existing housing stock.

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE.

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 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and

upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

Table 7. Geographic Distribution of Small Loans to Farms - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.

Table 8. Borrower Distribution of Home Purchase Loans - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.

Table 9. Borrower Distribution of Home Improvement Loans - See Table 8.

Table 10. Borrower Distribution of Refinance Loans - See Table 8.

Table 11. Borrower Distribution of Small Loans to Businesses - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.

Table 12. Borrower Distribution of Small Loans to Farms - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.

Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL) - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-,

and upper-income geographies to the percentage distribution of households within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

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

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

LENDING VOLUME		Geography: GLENS FALLS AA				Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2010						
MA/Assessment Area (2010):	% 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:												
Glens Falls MSA AAA	65.70	1,113	99,937	924	119,932	4	48	14	6,375	2,050	248,850	71.38
Limited Review:												
Non MSA AA	23.10	437	52,252	279	29,437	0	0	13	10,094	729	91,783	20.64
Saratoga County AA	11.20	209	20,000	138	12,861	0	0	0	0	347	32,861	7.98

* Loan Data as of December 31, 2010. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from December 8, 2008 to November 7, 2011.

*** Deposit Data as of June 30, 2010. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: GLENS FALLS AA				Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2010									
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography [*]				
	#	% of Total ^{**}	% Owner Occ Units ^{***}	% BANK Loans ^{****}	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Glens Falls MSA AA	308	60.0863	0.00	0.00	7.87	6.49	76.58	73.70	15.56	19.81	7.91	0.00	3.31	8.16	9.46
Limited Review:															
Non-MSA AA	149	30.3512	0.00	0.00	4.39	1.31	80.36	73.20	15.25	25.49	6.22	0.00	0.00	6.06	8.00
Saratoga County AA	47	9.25	0.00	0.00	26.53	29.79	60.98	61.70	12.48	8.51	1.37	0.00	2.14	1.52	0.00

^{*} Based on 2010 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

Geographic Distribution: HOME IMPROVEMENT		Geography: GLENS FALLS AA					Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2010					Market Share (%) by Geography [†]				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total ^{**}	% Owner Occ Units ^{***}	% BANK Loans ^{****}	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans						
Full Review:																
Glens Falls MSA AA	487	65.72	0.00	0.00	7.87	9.03	76.58	74.95	15.56	16.02	44.81	0.00	43.33	44.19	48.98	
Limited Review:																
Non-MSA AA	158	21.32	0.00	0.00	4.39	0.63	80.36	82.28	15.25	12.667.09	27.67	0.00	25.00	25.90	36.11	
Saratoga County AA	96	12.96	0.00	0.00	26.53	42.71	60.98	55.21	12.48	2.08	20.00	0.00	20.75	22.94	4.35	

[†] Based on 2010 Peer Mortgage Data (USPR)

^{**} 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

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: GLENS FALLS AA				Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2010					Market Share (%) by Geography [*]				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total ^{**}	% Owner Occ Units ^{***}	% BANK Loans ^{****}	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans						
Full Review:																
Glens Falls MSA AA	312	62.78	0.00	0.00	7.87	6.73	76.58	72.76	15.56	20.51	6.87	0.00	11.25	6.73	6.25	
Limited Review:																
Non-MSA AA	119	22.18	0.00	0.00	4.39	1.68	80.36	84.87	15.25	13.45	6.57	0.00	0.00	6.84	6.29	
Saratoga County AA	66	13.28	0.00	0.00	26.53	36.36	60.98	63.64	12.48	0.00	3.21	0.00	4.41	3.94	0.00	

^{*} Based on 2010 Peer Mortgage Data (USPR)

^{**} 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 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: GLENS FALLS AA					Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2010									
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography ¹					
	#	% of Total ²	% of MF Units ³	% BANK Loans ⁴	% MF Units ³	% BANK Loans	% MF Units ³	% BANK Loans	% MF Units ³	% BANK Loans	Overall	Low	Mod	Mid	Upp	
Full Review:																
Glens Falls MSA AA	51	12.50	0.00	0.00	29.96	40.00	38.04	60.00	32.00	0.00	0.00	0.00	0.00	0.00	0.00	
Limited Review:																
Non-MSA AA	7	87.50	0.00	0.00	12.43	0.00	77.22	75.00	10.34	28.57	20.00	0.00	0.00	12.50	100.00	
Saratoga County AA	0	0.00	0.00	0.00	43.72	0.00	43.83	0.00	12.44	0.00	0.00	0.00	0.00	0.00	0.00	

¹ Based on 2010 Peer Mortgage Data (USPR)

² Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

³ Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

⁴ Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: GLENS FALLS AA						Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2010							
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography ¹				
	#	% 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:															
Glens Falls MSA AA	924	68.90	0.00	0.00	11.9694	15.0058	68.59	64.439	19.45	17.42	18.13	0.00	24.48	18.95	15.49
Limited Review:															
Non-MSA AA	279	20.81	0.00	0.00	6.9571	6.45	74.29	64.52	18.36	29.0324.13	8.05	0.00	8.57	7.40	13.53
Saratoga County AA	14038	10.29	0.00	0.00	29.258.28	39.13	59.501	55.07	11.25	5.80	2.27	0.00	9.71	2.44	0.46

¹ Based on 2010 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 (2010).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: GLENS FALLS AA					Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2010					Market Share (%) by Geography*				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans						
Full Review:																
Glens Falls MSA AA	4	100.00	0.00	0.00	2.30	0.00	86.879.17	100.00	8.27	0.00	5.41	0.00	0.00	5.56	0.00	
Limited Review:																
Non-MSA AA	1	0.00	0.00	0.00	2.86	0.00	90.48	100.00	6.67	0.00	0.00	0.00	0.00	0.00	0.00	
Saratoga County AA	0	0.00	0.00	0.00	23.02	0.00	71.94	0.00	7.19	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2010 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.

*** Source Data - Dun and Bradstreet (2010).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: GLENS FALLS AA					Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2010					Market Share ¹				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total ^{**}	% Families [*] **	% BANK Loans ^{****}	% Families ¹	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}						
Full Review:																
Glens Falls MSA AA	308	60.63	17.50	4.05	19.41	16.55	24.45	22.30	38.65	57.09	8.18	5.45	4.89	6.07	12.22	
Limited Review:																
Non-MSA AA	153	30.4912	18.13	4.93	17.27	10.56	22.23	19.01	42.37	65.49	6.64	11.54	1.57	3.26	10.94	
Saratoga County AA	47	9.55	19.81	6.82	23.20	18.18	25.66	31.82	31.33	43.18	1.45	2.15	0.48	1.51	1.94	

^{*} Based on 2010 Peer Mortgage Data (USPR)

^{**} As a percentage of loans with borrower income information available. No information was available for 2.8% 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

Borrower Distribution: HOME IMPROVEMENT		Geography: GLENS FALLS AA						Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2010							
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share ¹				
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ²	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	Overall	Low	Mod	Mid	Upp
Full Review:															
Glens Falls MSA AA	487	65.72	17.50	9.62	19.41	18.83	24.45	26.78	38.65	44.77	44.88	48.39	54.84	42.68	41.40
Limited Review:															
Non-MSA AA	158	21.32	18.13	5.88	17.27	16.99	22.23	24.18	42.37	52.94	26.90	22.73	34.48	20.00	29.67
Saratoga County AA	96	12.96	19.81	12.09	23.20	26.37	25.66	27.47	31.33	34.07	19.55	14.29	23.40	21.28	17.19

¹ Based on 2010 Peer Mortgage Data (USPR)

^{**} As a percentage of loans with borrower income information available. No information was available for 8.8% 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

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: GLENS FALLS AA					Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2010					Market Share [*]				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ³	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}						
Full Review:																
Glens Falls MSA AA	312	62.78	17.50	5.95	19.41	12.79	24.45	22.90	38.65	59.26	7.18	4.84	4.65	5.60	8.92	
Limited Review:																
Non-MSA AA	119	23.94	18.13	3.45	17.27	10.34	22.23	18.97	42.37	67.24	7.02	4.17	4.49	5.81	8.23	
Saratoga County AA	66	13.28	19.81	6.56	23.20	21.31	25.66	39.34	31.33	32.79	0.58	1.56	2.95	4.39	2.40	

^{*} Based on 2010 Peer Mortgage Data (USPR)

^{**} As a percentage of loans with borrower income information available. No information was available for 4.6% 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

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: GLENS FALLS AA			Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31, 2007				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share [*]	
	#	% of Total ^{**}	% of Businesses ^{***}	% BANK Loans ^{****}	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Glens Falls MSA AA	924	68.90	76.87	32.03	68.51	16.13	15.37	18.13	16.41
Limited Review:									
Non-MSA AA	279	20.81	74.53	39.07	77.06	12.54	10.39	8.05	7.17
Saratoga County AA	138	10.29	81.96	31.88	81.88	10.87	7.25	2.27	2.37

^{*} Based on 2010 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 - 2010).

^{****} Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 32.14% of small loans to businesses originated and purchased by the bank.

Table12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: GLENS FALLS AA		Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2010					
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 ¹	
	#	% of Total ²	% of Farms ³	% BANK Loans ⁴	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Glens Falls MSA AA	4	80.00	98.03	0.00	100.00	0.00	0.00	5.41	0.00
Limited Review:									
Non-MSA AA	10	0.00	93.01	0.00	100.00	0.00	0.00	0.00	0.00
Saratoga County AA	0	0.00	97.12	0.00	0.00	0.00	0.00	0.00	0.00

¹ Based on 2010 Peer Small Business Data -- US and PR

² 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.

³ Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2010).

⁴ 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 75.00% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: GLENS FALLS AA				Evaluation Period: DECEMBER 8, 2008 TO NOVEMBER 6, 2011			
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:									
Glens Falls MSA AA	2	433	88	3161	90	3,594	42.28	0	0
Limited Review:									
Non-MSA AA	0	0	0	0	19	20	0.24	0	0
Saratoga County AA	1	150	24	4,736	25	4,886	57.48	0	0

^{*} 'Prior Period Investments' means investments made in a previous 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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS				Geography: GLENS FALLS AA				Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31, 2007									
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:																	
Glens Falls MSA AA	72.26	20	68.97	0.00	15.00	65.00	20.00	0	0	0	0	1	1	0.00	10.39	74.77	14.84
Limited Review:																	
Non-MSA AA	19.54	7	24.14	0.00	0.00	85.72	14.28	0	0	0	0	0	0	0.00	5.46	78.14	13.68
Saratoga County AA	8.20	2	6.89	0.00	100.00	0.00	0.00	0	0	0	0	0	0	0.00	27.63	60.05	12.32