



PUBLIC DISCLOSURE

August 31, 2020

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

The Lyons National Bank
Charter Number 1027

35 William Street
Lyons, NY 14489

Office of the Comptroller of the Currency

5000 Brittonfield Parkway
Suite 102B
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 lending test is rated: Satisfactory

The community development test is rated: Outstanding

The major factors that support this rating include:

- The Lending Test rating is based on performance in the state of New York, which is marked by excellent geographic distribution of home mortgage loans, reasonable distribution of loans to borrowers of different incomes, a reasonable loan-to deposit (LTD) ratio, and a majority of lending within the assessment area (AA).
- The Community Development (CD) Test rating is based on performance in the state of New York, which demonstrated excellent responsiveness to community development needs through community development loans, qualified investments, and community development services.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA(s), the bank's LTD ratio is reasonable. The bank's average quarterly LTD ratio since the prior CRA evaluation through December 31, 2019, was 79.44 percent. In comparison, the average quarterly LTD ratio for three similarly situated banks was 88.74 percent, with ratios ranging from 72.31 percent to 99.22 percent.

Lending in Assessment Area

A majority of the bank's loans were originated inside its AAs. The bank originated and purchased 83.9 percent of its home mortgage loans inside of its AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level.

| Lending Inside and Outside of the Assessment Area | | | | | | | | | | |
|---------------------------------------------------|-----------------|------|---------|------|---------|---------------------------------|------|---------|------|----------------|
| Loan Category | Number of Loans | | | | Total # | Dollar Amount of Loans \$(000s) | | | | Total \$(000s) |
| | Inside | | Outside | | | Inside | | Outside | | |
| | # | % | # | % | | \$ | % | \$ | % | |
| Home Mortgage | 2,644 | 83.9 | 507 | 16.1 | 3,151 | 356,101 | 81.7 | 79,834 | 18.3 | 435,935 |
| Total | 2,644 | 83.9 | 507 | 16.1 | 3,151 | 356,101 | 81.7 | 79,834 | 18.3 | 435,935 |

Source: Bank Data

Due to rounding, totals may not equal 100.0%

Description of Institution

The Lyons National Bank (LNB) is a \$1.2 billion single-state community bank headquartered in Lyons, New York (N.Y.). The institution is wholly owned by Lyons Bancorp, a one-bank holding company. LNB owns a subsidiary, the Lyons Realty Associates Group, a real estate investment trust (REIT). This Performance Evaluation does not consider activities performed by the bank's subsidiary.

LNB offers a wide range of commercial and retail banking services to individual and small business customers through its 15 branches located in Wayne, Onondaga, Yates, Ontario, Monroe, Seneca, and Cayuga counties. Lending activity is primarily centered in commercial, residential real estate, and commercial real estate loans. As of December 31, 2019, LNB's assets totaled \$1.16 billion with \$862.51 million in total loans, \$1.03 billion in total deposits, and \$97.15 million in tier 1 equity capital. Total loans consist of \$372.45 million or 43.2 percent residential mortgage loans, \$230.4 million or 26.7 percent commercial real estate loans, and \$104.25 million or 12.1 percent commercial and industrial .

LNB designated three assessment areas, the Rochester metropolitan statistical area (MSA) AA, the Syracuse MSA AA, and the non-MSA AA. The Rochester MSA AA includes 86 census tracts within Ontario, Wayne, Yates, and Monroe counties. The Rochester MSA AA includes 11 of the bank's branch locations. The Syracuse MSA consists of three census tracts in Onondaga County and one branch location. The non-MSA AA includes 29 census tracts in Cayuga and Seneca counties. The non-MSA AA contains three LNB branch locations. The AA is contiguous and does not arbitrarily exclude low- or moderate-income geographies.

LNB operates within a competitive financial market. Competitors include large national banks, federal credit unions, online mortgage companies, and community banks. LNB does not have any legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its AA during the evaluation period.

LNB's prior Performance Evaluation, dated March 20, 2017, resulted in a Satisfactory rating based on a Satisfactory rating on the Lending and Community Development tests.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period covered January 1, 2017, through December 31, 2019, for home mortgage loans. Home mortgage loans include home purchase, home improvement, home mortgage refinance, and multi-family loans as reported on the Loan Application Register (LAR) required by the Home Mortgage Disclosure Act (HMDA). The evaluation period for CD loans, investments, and services is March 21, 2017, through December 31, 2019.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same MSA, multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-

scope. Refer to the “Scope” section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

The bank’s overall rating is a blend of the state ratings, and where applicable, multistate ratings.

LNB’s rating is based on its performance within the state of New York, which consists of three assessment areas, the Rochester MSA, Syracuse MSA, and the non-MSA AAs. The Rochester MSA AA was reviewed using full-scope procedures and received the heaviest weighting in the performance assessment. The Syracuse and non-MSA AAs were reviewed using limited-scope procedures during the evaluation.

The MMSA rating and state ratings are based on performance in all bank AAs. Refer to the “Scope” section under each state and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank’s or federal savings association’s (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank’s lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution’s next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

State of New York

CRA rating for the State of New York: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Outstanding

The major factors that support this rating include:

- An excellent geographic distribution of home mortgage loans.
- A reasonable distribution of loans to individuals of different income levels.
- Excellent responsiveness of CD needs in the state of New York through CD loans, qualified investments, and services.

Description of Institution's Operations in New York

LNB has three AAs within the state of New York, the Rochester MSA AA, the Syracuse MSA AA, and the non-MSA AA. During the evaluation period, LNB originated and purchased 74.4 percent of its home mortgage loans (by number) in the Rochester MSA AA, 23.1 percent of its home mortgage loans in the non-MSA AA, and 2.5 percent of its home mortgage loans in the Syracuse MSA AA. The Rochester MSA AA includes the counties of Ontario, Wayne, Yates, and a portion of Monroe county. In addition, the Rochester MSA AA includes 11 of the bank's 15 branch locations. There are 86 census tracts within the Rochester MSA AA, which include the cities of Victor, Canandaigua, Lyons, and the surrounding towns. The Syracuse MSA AA consists of four towns within a portion of Onondaga County: Jordan, Elbridge, Skaneateles Falls, and Skaneateles. The non-MSA AA consists of Cayuga and Seneca Counties, and includes the Cayuga Nation Reservation. The Rochester MSA AA and Syracuse MSA AA include partial counties. However, the bank's AA includes entire towns and cities, consistent with the regulatory requirements, and does not arbitrarily exclude any low- or moderate-income census tracts.

LNB reported \$1.03 billion in total deposits as of June 30, 2019, with \$873.33 million in total deposits in the Rochester MSA AA, \$36.57 million in total deposits in the Syracuse MSA AA, and \$123.53 million in total deposits in the non-MSA AA. LNB experiences strong competition from other financial institutions operating within the AA. Within the entire AA, LNB ranked third in deposits with 11.0 percent market share, behind The Canandaigua National Bank and Trust Company with 17.8 percent market share and Key Bank with 11.6 percent market share.

The economic climate in the Rochester MSA AA improved since the recession in 2008. Unemployment within each county has been approximately 4.0 percent as of December 2019, which was consistent with the New York State unemployment rate of 3.9 percent. The largest industries within each county include healthcare, manufacturing, educational services, agriculture, and retail trade. Major private sector employers within the Finger Lakes Region, which encompasses a majority of the bank's AA, include Carestream Health Inc., Rochester General Hospital, the Rochester Institute of Technology, Sutherland Global Services, and Tops Friendly Markets.

The economic condition within the Syracuse MSA AA and non-MSA AA are consistent with the economic condition of the Rochester MSA AA. The unemployment rates for Onondaga County in the Syracuse MSA AA and Cayuga and Seneca Counties in the non-MSA AA ranged from 4.1 to 4.7

percent, as of December 2019, which lags slightly behind the state unemployment rate of 3.9 percent. The largest industries in Onondaga, Cayuga, and Seneca Counties are healthcare, manufacturing, educational services, and retail trade. Major private employers in the region include Crouse Hospital, Lockheed Martin Corp., Loretto Health and Rehabilitation Center, National Grid, and Price Chopper.

During the evaluation period, an OCC representative met with a community development organization located in Ontario County that oversees the economic infrastructure of the county, works with small businesses and farms, and creates jobs in various sectors including manufacturing, food and agriculture, technology, and healthcare. The organization described the economic conditions of the county as excellent, with a wide variety of manufacturers, farmers, and small businesses in the area. The contact noted there is a need for small business and small farm loans, as well as, a need for equity investments.

Rochester MSA AA

| Table A – Demographic Information of the Assessment Area | | | | | | |
|-----------------------------------------------------------------|----------|-----------------------|------------------------------|--------------------------|-------------------------|-----------------------|
| Assessment Area: Rochester MSA | | | | | | |
| Demographic Characteristics | # | Low % of # | Moderate % of # | Middle % of # | Upper % of # | NA* % of # |
| Geographies (Census Tracts) | 87 | 0.0 | 14.9 | 46.0 | 37.9 | 1.1 |
| Population by Geography | 399,609 | 0.0 | 10.5 | 45.3 | 44.2 | 0.0 |
| Housing Units by Geography | 175,317 | 0.0 | 11.5 | 48.1 | 40.4 | 0.0 |
| Owner-Occupied Units by Geography | 121,927 | 0.0 | 8.6 | 45.4 | 46.0 | 0.0 |
| Occupied Rental Units by Geography | 36,385 | 0.0 | 18.6 | 48.6 | 32.9 | 0.0 |
| Vacant Units by Geography | 17,005 | 0.0 | 16.4 | 66.7 | 16.9 | 0.0 |
| Businesses by Geography | 23,205 | 0.0 | 11.1 | 39.3 | 49.6 | 0.0 |
| Farms by Geography | 1,318 | 0.0 | 8.0 | 65.4 | 26.6 | 0.0 |
| Family Distribution by Income Level | 107,302 | 16.0 | 15.5 | 19.5 | 49.0 | 0.0 |
| Household Distribution by Income Level | 158,312 | 18.5 | 14.6 | 16.8 | 50.0 | 0.0 |
| Median Family Income MSA – Rochester, N.Y. MSA | | \$67,757 | Median Housing Value | | | \$159,329 |
| | | | Median Gross Rent | | | \$844 |
| | | | Families Below Poverty Level | | | 6.3% |

*Source: 2015 ACS Census and 2018 D&B Data
Due to rounding, totals may not equal 100.0
(* The NA category consists of geographies that have not been assigned an income classification.*

Scope of Evaluation in New York

The Rochester MSA AA received a full-scope review, while the Syracuse MSA and non-MSA AAs received limited scope reviews. The scope of the evaluation focused on home mortgage lending. The Rochester MSA AA does not include low-income census tracts; therefore, an analysis of the geographic distribution in the Rochester MSA AA was limited to an analysis of geographic distribution within moderate-income census tracts.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEW YORK

LENDING TEST

The bank's performance under the Lending Test in New York is rated Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

Based on full- and limited-scope reviews, the bank's lending performance in the state of New York is reasonable. The overall lending performance was impacted by the weaker performance within the limited scope AAs.

Distribution of Loans by Income Level of the Geography

The bank exhibits excellent geographic distribution of loans in the state. The geographic distribution of home mortgage loans in the Rochester MSA AA is excellent.

Home Mortgage Loans

Refer to Table O in the state of New York section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The geographic distribution of home mortgage loans in the Rochester MSA AA was excellent. The geographic distribution of home mortgage loans in moderate-income census tracts was excellent when compared to owner-occupied housing units and when compared to aggregate lending. The Rochester MSA AA does not include any low-income census tracts; therefore, an analysis would not be meaningful.

Distribution of Loans by Income Level of the Borrower

The bank exhibits excellent distribution of loans to individuals of different income levels, given the product lines offered by the bank.

Home Mortgage Loans

Refer to Table P in the state of New York section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The borrower distribution of home mortgage loans was excellent in the Rochester MSA AA. The borrower distribution of home mortgage loans to low-income borrowers was reasonable when compared to the percentage of low-income families and excellent when compared to aggregate lending. Based on the demographic information for the Rochester MSA AA, the median family housing value during the evaluation period was \$159,329. Therefore, it would be difficult for a low-income borrower to qualify for a home mortgage loan. Generally, low-income borrowers earned less than \$34,250 in 2017, \$37,000 in 2018, and \$37,900 in 2019. The borrower distribution of home mortgage loans to moderate-income borrowers was excellent when compared to the percentage of moderate-income families and when compared to aggregate lending.

Responses to Complaints

The bank did not receive any CRA-related complaints during the evaluation period.

Conclusions for Areas Receiving a Limited Scope Review

Based on a limited-scope review, the bank's performance under the Lending Test in the Syracuse MSA AA and the non-MSA AA is weaker than the bank's overall performance under the Lending Test in the full scope area.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test in the state of New York is rated Outstanding.

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope and limited scope reviews, the bank exhibits excellent responsiveness to community development needs in the state of New York through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's AAs.

Number and Amount of Community Development Loans

The Community Development Loans Table, shown below, set forth the information and data used to evaluate the bank's level of CD lending. The table include all CD loans, including multifamily loans that also qualify as CD loans.

| <i>Community Development Loans</i> | | | | |
|------------------------------------------------------|-------|--------------|-----------|---------------|
| Assessment Area | Total | | | |
| | # | % of Total # | \$(000's) | % of Total \$ |
| Rochester MSA AA | 5 | 50.0% | \$811 | 9.0% |
| Broader Regional Area including the Rochester MSA AA | 3 | 30.0% | \$3,329 | 36.8% |
| Outside the AA | 2 | 20.0% | \$4,908 | 54.24% |
| Non MSA AA | 0 | 0% | \$0 | 0% |
| Syracuse MSA AA | 0 | 0% | \$0 | 0% |

LNB demonstrated adequate responsiveness to community development needs through community development loans. Community development lending includes five loans totaling \$811 thousand in the Rochester MSA AA, with four loans for organizations providing community services targeting low- and moderate-income persons and one loan totaling \$380 thousand to revitalize/stabilize a moderate-income

geography. LNB originated three loans totaling \$3.3 million benefiting a broader regional area including the Rochester MSA AA, including two loans to construct and fund a new autism center located in a moderate-income geography in Rochester. Outside the Rochester MSA AA, LNB originated two loans totaling \$4.9 million to purchase and renovate affordable housing apartment buildings in Syracuse, N.Y. and Plattsburgh, N.Y.

Number and Amount of Qualified Investments

The Qualified Investment Table, shown below, sets forth the information and data used to evaluate the bank's level of qualified CD investments. These tables include all CD investment, including prior period investments that remain outstanding as of the examination date.

| Qualified Investments | | | | | | | | | | |
|--------------------------------|---------------|-----------|----------------|-----------|-------|--------------|-----------|---------------|------------------------|-----------|
| Assessment Area | Prior Period* | | Current Period | | Total | | | | Unfunded Commitments** | |
| | # | \$(000's) | # | \$(000's) | # | % of Total # | \$(000's) | % of Total \$ | # | \$(000's) |
| Rochester MSA AA – investments | 2 | \$1,009 | 6 | \$3,547 | 8 | | \$4,556 | | 0 | \$0 |
| Non-MSA AA – Investments | 0 | \$0 | 1 | \$1,745 | 1 | | \$1,745 | | 0 | \$0 |
| Syracuse MSA AA – Investments | 0 | \$0 | 0 | \$0 | 0 | | \$0 | | 0 | \$0 |

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

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

LNB demonstrated excellent responsiveness to community development needs through qualified investments, donations, and grants. Qualified investments included six current period investments totaling \$3.5 million and two prior period investments totaling \$1.0 million. Current period investments included a \$2.0 million investment for road, sewer, and water system capital improvements for a village located in a moderate-income geography, a \$1.3 million investment for water system capital improvements for a town located in a moderate-income geography, and \$232 thousand in investments for equipment to benefit a town and a village, both of which are located in moderate-income geographies. Prior period investments include an investment to update a wastewater treatment facility in a village located in a moderate-income geography with \$729 thousand outstanding as of December 31, 2019, and an investment to replace water meters and purchase equipment for a town located in a moderate-income geography with \$280 thousand outstanding as of December 31, 2019. In addition, the bank made qualifying donations of \$376 thousand to community development organizations during the evaluation period.

Extent to Which the Bank Provides Community Development Services

LNB demonstrated excellent responsiveness to community development needs through community development services. In the Rochester MSA AA, six of the 11 branches in the AA (or 55 percent) are located in moderate-income geographies. This compares favorably to the population distribution which

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

indicates only 11 percent of the population in the AA resides in moderate-income geographies. At six of the 11 branches, including two in moderate-income geographies, the bank offers a room for use by the community. During the evaluation period, 28 employees, including members of senior management, vice presidents, and bank staff, served as a director or provided financial expertise to various community development organizations in the Rochester MSA AA. In 2019, bank employees held several financial literacy classes within the AA including three sessions at schools located in moderate-income geographies. In 2019, bank employees held several homeownership counseling sessions within the AA including three sessions in moderate-income geographies.

Conclusions for Areas Receiving Limited Scope Reviews

Based on limited-scope reviews, the bank's performance under the CD Test in the non-MSA AA and Syracuse MSA AA is weaker than the bank's overall performance under the CD Test in the full scope area(s). LNB did not originate any community development loans in the non-MSA AA. LNB did not originate any community development loans or qualified investments and did not hold any homeowner counseling or financial literacy courses for low- or moderate-income persons in the Syracuse MSA AA.

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 MSA(s) and non-MSA(s) 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 01/01/2017 to 12/31/2019 Community Development Test 03/21/2017 to 12/31/2019 | |
| Bank Products Reviewed: | Home mortgage Community development loans, qualified investments, community development services | |
| Affiliate(s) | Affiliate Relationship | Products Reviewed |
| N/A | N/A | N/A |
| List of Assessment Areas and Type of Examination | | |
| Rating and Assessment Areas | Type of Exam | Other Information |
| New York | | |
| Rochester MSA AA | Full-Scope | Ontario, Wayne, and Yates Counties, and a portion of Monroe County |
| Syracuse MSA AA | Limited-Scope | A portion of Onondaga County |
| Non-MSA AA | Limited-Scope | Cayuga and Seneca Counties |

Appendix B: Summary of MMSA and State Ratings

| Ratings for the Lyons National Bank | | | |
|-------------------------------------|----------------------|----------------|--------------------------------------|
| Overall Bank: | Lending Test Rating* | CD Test Rating | Overall Bank/State/Multistate Rating |
| Lyons National Bank | Satisfactory | Outstanding | Satisfactory |
| MMSA or State: | | | |
| New York | Satisfactory | Outstanding | Satisfactory |

(*) The Lending Test and Community Development Test carry equal weight in the overall rating.

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in 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. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): 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 Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, 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, 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-Scope 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 conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

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-Scope 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: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

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 state/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) 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, and half below, a range of incomes.

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

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

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.

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.

Rating Area: A rated area is a state or multi-state metropolitan statistical 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 statistical area, the institution will receive a rating for the multi-state metropolitan statistical 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) 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 1 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.

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

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

Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography - 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 aggregate peer data for the years the data is available.

Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower - 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 MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.

| Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography | | | | | | | | | | | | | | | | | 2017-19 | | |
|---------------------------------------------------------------------------------------------------------|---------------------------|----------------|--------------|-----------------------------------|--------------|------------|-----------------------------------|--------------|------------|-----------------------------------|--------------|-------------|-----------------------------------|--------------|-------------|-----------------------------------|----------------|------------|--|
| | Total Home Mortgage Loans | | | Low-Income Tracts | | | Moderate-Income Tracts | | | Middle-Income Tracts | | | Upper-Income Tracts | | | Not Available-Income Tracts | | | |
| | # | \$ | % of Total | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | % of Owner-Occupied Housing Units | % Bank Loans | Aggregate | |
| Non-MSA AA | 611 | 76,304 | 23.1 | 1.3 | 1.0 | 1.6 | 5.2 | 5.9 | 7.3 | 68.8 | 62.8 | 67.6 | 24.7 | 30.3 | 23.6 | 0.0 | 0.0 | 0.0 | |
| Rochester MSA | 1,968 | 268,645 | 74.4 | 0.0 | 0.0 | 0.0 | 8.6 | 15.4 | 6.3 | 45.4 | 66.1 | 41.3 | 46.0 | 18.5 | 52.3 | 0.0 | 0.0 | 0.0 | |
| Syracuse MSA | 65 | 11,152 | 2.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 44.1 | 47.7 | 34.1 | 55.9 | 52.3 | 65.9 | 0.0 | 0.0 | 0.0 | |
| Total | 2,644 | 356,101 | 100.0 | 0.3 | 0.2 | 0.2 | 7.7 | 12.8 | 6.3 | 50.0 | 64.9 | 44.8 | 42.0 | 22.1 | 48.6 | 0.0 | 0.0 | 0.0 | |

*Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "-" data not available.
Due to rounding, totals may not equal 100.0%*

| Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower | | | | | | | | | | | | | | | | | 2017-19 | | |
|--------------------------------------------------------------------------------------------------------|---------------------------|----------------|--------------|----------------------|--------------|------------|---------------------------|--------------|-------------|-------------------------|--------------|-------------|------------------------|--------------|-------------|--------------------------------|----------------|------------|--|
| | Total Home Mortgage Loans | | | Low-Income Borrowers | | | Moderate-Income Borrowers | | | Middle-Income Borrowers | | | Upper-Income Borrowers | | | Not Available-Income Borrowers | | | |
| | # | \$ | % of Total | % of Families | % Bank Loans | Aggregate | % of Families | % Bank Loans | Aggregate | % of Families | % Bank Loans | Aggregate | % of Families | % Bank Loans | Aggregate | % of Families | % Bank Loans | Aggregate | |
| Non MSA AA | 611 | 76,304 | 23.1 | 17.1 | 3.9 | 7.0 | 17.0 | 20.5 | 20.1 | 21.8 | 27.0 | 24.9 | 44.1 | 45.8 | 35.7 | 0.0 | 2.8 | 12.3 | |
| Rochester MSA | 1,968 | 268,645 | 74.4 | 16.0 | 9.2 | 6.2 | 15.5 | 19.9 | 17.8 | 19.5 | 23.2 | 21.5 | 49.0 | 45.6 | 45.8 | 0.0 | 2.1 | 8.7 | |
| Syracuse MSA | 65 | 11,152 | 2.5 | 10.9 | 7.7 | 5.9 | 14.4 | 10.8 | 16.3 | 18.3 | 9.2 | 18.5 | 56.4 | 72.3 | 50.0 | 0.0 | 0.0 | 9.3 | |
| Total | 2,644 | 356,101 | 100.0 | 16.1 | 7.9 | 6.3 | 15.8 | 19.8 | 18.1 | 20.0 | 23.8 | 21.9 | 48.2 | 46.3 | 44.5 | 0.0 | 2.2 | 9.2 | |

*Source: 2015 ACS Census ; 01/01/2017 - 12/31/2019 Bank Data, 2019 HMDA Aggregate Data, "-" data not available.
Due to rounding, totals may not equal 100.0%*