



Office of the
Comptroller of the Currency
Washington, DC 20219

INTERMEDIATE SMALL BANK

PUBLIC DISCLOSURE

July 6, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Saratoga National Bank and Trust Company
Charter Number 21530

137 South Broadway, Saratoga Springs, NY 12866

Office of the Comptroller of the Currency

5000 Brittonfield Parkway
Suite 102B
East Syracuse New York 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 a more than reasonable loan-to-deposit ratio, a majority of lending within the assessment area (AA), a reasonable geographic distribution of indirect automobile loans and home mortgage loans, and a reasonable distribution of loans to individuals of different income levels.
- The Community Development (CD) Test rating is based on performance in the state of New York with demonstrated excellent responsiveness to community development needs through community development loans, qualified investments and community development services.

Loan-to-Deposit Ratio (LTD)

Considering the bank's size, financial condition, and credit needs of the AA, the bank's LTD ratio is more than reasonable.

The bank's prior performance evaluation is dated April 25, 2017. Therefore, the assessment of the LTD ratio is based on the average LTD ratio dating back to June 30, 2017 through December 31, 2019. Over the time period, the bank's average LTD ratio was 94.8 percent. In comparison, the ratio three similarly situated financial institutions located in the AA ranged from 71.8 percent to 96.2 percent and averaged 87.1 percent.

Lending in Assessment Area

A majority of the bank's loans are inside its AA.

The bank originated and purchased 50.5 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria.

Lending Inside and Outside of the Assessment Area January 1, 2017 to December 31, 2019										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Indirect Auto	12,913	49.0	13,442	51.0	26,355	292,701	49.9	293,318	50.1	586,019
Mortgage	873	94.2	54	5.8	927	239,586	93.5	16,787	6.5	256,373
Total	13,786	50.5	13,496	49.5	27,282	532,287	63.2	310,105	36.8	842,392

Description of Institution

Saratoga National Bank and Trust Company (SNB) is a \$643 million community bank headquartered in Saratoga Springs, New York (N.Y.), which is centrally located in Saratoga County and approximately 35 miles north of Albany, N.Y. SNB is owned by holding company, Arrow Financial Corporation (Arrow). Arrow also owns Glens Falls National Bank and Trust Company, a \$2.6 billion community bank headquartered in Glens Falls, N.Y., approximately 19 miles northeast of Saratoga Springs.

SNB offers traditional banking products and services. SNB's lending activities are focused on indirect automobile and residential mortgage lending. As of December 31, 2019, SNB's balance sheet included \$503 million in total loans, \$549 million in total deposits and \$61 million in tier one equity capital. The loan portfolio consisted of \$170 million (34 percent) in one- to four-family residential real estate loans, \$134 million (27 percent) in commercial real estate loans, \$120 million (24 percent) in automobile loans, \$34 million (7 percent) in home equity loans, \$33 million (7 percent) in commercial and industrial loans, \$10 million (2 percent) in construction and development loans, and \$2 million (< 1 percent) in other consumer loans.

The bank offers residential mortgages through the United States Department of Agriculture (USDA) (beginning in 2018), state of New York Mortgage Agency (SONYMA) (beginning in 2017), Veterans Administration (VA) and Federal Housing Administration (FHA) in addition to conventional mortgages. SNB also offers a first-time home buyer program with a low down payment, waived fees and origination charges, no private mortgage insurance, an interest rate discount and up to \$14,500 for down payment or closing costs through the Federal Home Loan Bank (FHLB NY) of New York's Homebuyer Dream Program. In July of 2019, the bank began participating in the FHLB NY's Homebuyer Dream Program which provides grants to low- and moderate-income mortgage applicants, who work with home ownership organizations in learning the responsibilities of homeownership. The program also offers up to an additional \$500 to cover closing costs. SNB is also a preferred Small Business Administration (SBA) lender and is a participant in the New York Business Development Corporation (NYBDC) lending program for small businesses.

SNB has one AA, the Albany-Schenectady-Troy Metropolitan Statistical Area (MSA) AA (MSA #10580), which includes Albany, Rensselaer, Saratoga and Schenectady Counties in their entirety. The AA consists of 210 census tracts and includes 21 low-income tracts (10 percent); 39 moderate-income tracts (19 percent); 101 middle-income tracts (48 percent); 46 upper-income tracts (22 percent); and three tracts with no corresponding census-level income designation available.

SNB operates in a highly competitive financial services market. Competitors include other community banks and thrifts, credit unions, and large banks, as well as on-line competition from various institutions. SNB has no legal, financial, or regulatory impediments that would hinder its ability to help meet the credit needs of its AA.

SNB's prior Performance Evaluation dated April 25, 2017 resulted in a Satisfactory rating based on a Satisfactory Lending Test rating and a Satisfactory Community Development Test rating.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period covers January 1, 2017, through December 31, 2019 for home mortgage and indirect automobile loans. Home mortgage loans include home purchase, home improvement, home mortgage refinance loans, and multi-family loans as reported on the Loan Application Register (LAR) required by the Home Mortgage Disclosure Act (HMDA). Management maintains loan data for indirect automobile loans for the years 2017, 2018 and 2019 in a machine-readable format although management is not required to maintain or submit the data. Examiners tested the accuracy of HMDA data and indirect loan data maintained by the bank and found the data to be reliable. The evaluation period for CD loans, qualified investments and CD services is April 25, 2017 through December 31, 2019.

The market share and peer comparisons for home mortgage loans are based on the information contained in the aggregate HMDA information, which are available for public review. Aggregate HMDA information includes only lenders who were required to file HMDA data in 2017, 2018, and 2019. Banks are not required to collect and report consumer loans data, therefore, an aggregate peer comparison is not available to assess indirect automobile lending performance.

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. In the case of SNB, there is only one AA, and it is entirely contained with the Albany-Schenectady-Troy MSA AA.

Ratings

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

SNB's rating is based on its performance within the state of New York which consists of its one assessment area, the Albany-Schenectady-Troy MSA AA.

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 (or any affiliate whose loans have been considered as part of the institution’s lending performance) 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 Rating

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:

- Reasonable geographic distribution of indirect automobile loans and mortgage loans.
- Reasonable distribution of loans to individuals of different income levels.
- Excellent responsiveness to CD needs through CD lending, qualified investments and CD services.

Description of Institution's Operations in New York

SNB offers traditional loan and deposit products through its branch network located within the New York State's Capital Region. SNB also offers automobile loans on an indirect basis through a state-wide network of auto dealers, with the majority of originations in the bank's AA and surrounding counties. Mortgage loans are primarily originated in the bank's AA. Since the prior CRA evaluation, management expanded its branch network and home mortgage loan product line to better serve LMI borrowers.

SNB serves the community through 11 offices, covering four counties (Albany, Rensselaer, Saratoga, and Schenectady). Four offices are in moderate-income census tracts. Five offices are in middle-income tracts, and two are in upper-income tracts. SNB opened two offices in moderate-income census tracts since the prior examination, the Schenectady office in October 2017 and the Rotterdam office in April 2019. Nine of the 11 offices have 24-hour automated teller machines (ATM) and all but one have drive-through facilities. There are no material differences in the availability or cost of services available across SNB offices. The bank has no free-standing deposit taking ATMs.

SNB has one AA, the Albany-Schenectady-Troy MSA AA, comprised of 210 census tracts. The AA includes all of the Albany-Schenectady-Troy, N.Y. MSA, with the exception of Schoharie County. The AA covers the entirety of Albany, Rensselaer, Saratoga and Schenectady Counties. The AA includes 21 low-income tracts (10 percent); 39 moderate-income tracts (19 percent); 101 middle-income tracts (48 percent); 46 upper-income tracts (22 percent); and 3 tracts with no corresponding census-level income designation available.

Competition from other financial institutions operating in the area is strong with 22 institutions (including SNB) operating in the market with 270 offices and \$29.8 billion in deposits. SNB reported \$490 million in deposits within the Albany-Schenectady-Troy MSA AA as of June 30, 2019. In the AA, SNB ranks 11th in deposit market share with 1.6 percent of the deposits. Key Bank, N. A. dominates the market with 37.3 percent deposit market share and 41 offices. Other banks in the top five include Citizens Bank with 16.0 percent deposit market share and 22 offices, TrustCo Bank with 9.3 percent market share and 53 offices, Bank of America N. A. with 8.9 percent deposit market share and 18 offices, and M&T with 5.6 percent market share and 14 offices.

The economic climate in the Albany-Schenectady-Troy MSA AA has steadily improved since the Great Recession, regaining most of the jobs lost in the aftermath of the economic decline. Unemployment (not seasonally adjusted) within the MSA is low at 4.0 percent as of January 2020, although it is slightly above the state unemployment rate of 3.8 percent. The largest industries in the MSA are government, healthcare, education, and technology. The MSA includes the city of Albany, the New York State Capital, with significant employers centered in national and state government agencies. Major private sector employers in the region include health care providers, Albany Medical Center and St. Peter's Health Partners; supermarket chains, Golub Corporation and Hannaford Supermarkets; and General Electric.

During the evaluation period, the OCC and other financial regulators met with three organizations that provide homeownership services, managerial assistance, and promote economic development within the bank's AA and surrounding areas. Contacts from these organizations identified a need for affordable housing; flexible small business lending, particularly start-up capital; general economic development for entrepreneurs; and funding to support the transition of small businesses to new ownership. Contacts noted that financial institutions in the area are generally responsive to the community's needs.

Albany-Schenectady-Troy MSA AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: Albany-Schenectady-Troy MSA AA (#10580)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	210	10.00	18.6	48.1	21.9	1.4
Population by Geography	845,933	7.6	16.6	50.0	24.7	1.0
Housing Units by Geography	378,947	8.9	18.1	49.9	22.9	0.2
Owner-Occupied Units by Geography	215,410	3.0	12.6	55.2	29.0	0.0
Occupied Rental Units by Geography	118,169	16.0	25.1	42.7	16.0	0.3
Vacant Units by Geography	45,368	18.4	26.2	43.1	11.6	0.7
Businesses by Geography	54,871	11.9	11.9	48.0	27.8	0.4
Farms by Geography	1,596	1.8	7.3	68.0	22.9	0.0
Family Distribution by Income Level	200,849	20.04	17.58	22.11	40.28	0.00
Household Distribution by Income Level	333,579	24.00	15.52	18.79	41.69	0.00
Median Family Income MSA -		\$81,103	Median Housing Value -			\$198,104
			Median Gross Rent -			\$915
			Families Below Poverty Level			7.3%
<i>Source: 2015 ACS Census and 2019 D&B Data</i> <i>Due to rounding, totals may not equal 100.0</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

Scope of Evaluation in New York State

SNB has one AA in the state of New York, the Albany-Schenectady-Troy MSA AA. Consumer lending, in the form of indirect automobile lending, received a heavier weighting over home mortgage lending in the performance assessment given its proportion of originations and purchases throughout the evaluation period.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEW YORK STATE.

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 a full-scope review, the bank's lending performance in the state of New York is reasonable.

Distribution of Loans by Income Level of the Geography

The bank exhibits reasonable geographic distribution of loans in the state.

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 is reasonable.

The geographic distribution of home mortgage loans in low-income census tracts was reasonable compared to the portion of owner-occupied housing in the Albany-Schenectady-Troy MSA AA. The geographic distribution of home mortgage loans in low-income census tracts was reasonable compared to the average for peer lenders.

The geographic distribution of home mortgage loans in the moderate-income census tracts was reasonable compared to portion of owner-occupied housing in the Albany-Schenectady-Troy MSA AA. The geographic distribution of home mortgage loans in moderate-income census tracts was reasonable compared to the average for peer lenders.

Between 2017 and 2019, performance in the low- and moderate-income census tracts was positively impacted by branch openings in Rotterdam and Schenectady during the evaluation period. The chart below notes improved lending performance in low- and moderate-income census tracts between 2017 and 2019 reflecting increased market acceptance of the bank and its product offerings although progress has been slow.

Geographic

Year	Total Home Mortgage Loans		Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Income Not Available		
	#	\$	% OO	% bank	Aggreg	% OO	% bank	Aggreg	% OO	% bank	Aggreg	% OO	% bank	Aggreg	% OO	% bank	Aggreg
2017	260	80,174	3	0.8	2.8	12.6	6.5	13.6	55.3	58.5	55.6	29.1	33.8	27.9	0.0	0.4	0.0
2018	285	73,493	3	2.5	2.9	12.6	8.1	12.3	55.3	60.4	55.5	29.1	28.8	29.3	0.0	0.4	0.1
2019	328	85,919	3	2.4	2.7	12.6	12.5	12.5	55.3	54.9	54.8	29.1	30.2	29.9	0.0	0.0	0.0
	873	239,586															

Consumer Loans

Refer to Table U 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 consumer loan originations and purchases.

The geographic distribution of indirect automobile loans is reasonable.

The geographic distribution of indirect automobile loans was poor compared to the distribution of households in low-income geographies in the Albany-Schenectady-Troy MSA AA. Based on the 2015 American Community Survey (ACS), the bank's low-income census tracts have median household income of \$27,345 with a poverty rates of 34.25 percent. According to National Automobile Dealers Association (NADA), the average used car cost \$20,200 in 2019 before insurance, gas, maintenance and repairs. Based on the weighted average monthly gross rent of \$915 coupled with a \$470 monthly car payment (\$20,000 loan at 6 percent for 48 months), it would be difficult for a borrower in a low-income census tract to qualify for a loan based on sound credit underwriting standards.

The geographic distribution of indirect automobile loans in the AA was reasonable compared to the distribution of households in moderate-income geographies.

Lending Gap Analysis

OCC examiners reviewed summary reports and AA maps detailing SNB's lending activity over the evaluation period for indirect automobile loans and home mortgage loans to identify any gaps in the geographic distribution of loans. No unexplained conspicuous gaps were identified.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a reasonable 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 is poor.

The borrower distribution of home mortgage loans to low-income borrowers in the AA was poor compared to the percentage of low-income families and very poor compared to the average of peer lenders.

The borrower distribution of home mortgage loans to moderate-income borrowers was reasonable compared to the percentage of moderate-income families and poor compared to the average of peer lenders.

Given the median housing value in the AA (\$198,104 in 2019), it would be difficult for a low-income borrower earning less than \$41,550 in 2017, \$43,200 in 2018, and \$44,950 in 2019, to qualify for a home mortgage loan. The cities of Albany and Schenectady, which include the majority of the low- and moderate-income tracts in the AA, also have high tax rates. These high monthly property tax payments and insurance premiums further increase the challenges for low-income families to afford purchasing a home. During the evaluation period, SNB began offering home mortgages through SONYMA, VA, and FHA and in July 2019 began working with the FHLBNY to secure down payment grants for borrowers in order to help serve the needs of more people in the community and provide greater opportunities for home ownership. Management outreach to generate interest in these products has met with slow response from the marketplace, and management continues to make contacts with various affordable housing community organizations to improve its market share in this area.

Consumer Loans

Refer to Table V 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 consumer loan originations and purchases.

The borrower distribution of indirect automobile loans is reasonable.

The borrower distribution of indirect automobile loans to low-income borrowers was poor compared to the percentage of low-income households in the AA. Based on the weighted average monthly gross rent of \$915 coupled with a \$470 monthly car payment (\$20,000 loan at 6 percent for 48 months), it would be difficult for a low-income borrower to qualify for a loan based on sound credit underwriting standards.

The borrower distribution of indirect automobile loans to moderate-income borrowers exceeded the percentage of moderate-income households in the AA.

Responses to Complaints

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

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 review, the bank exhibits excellent responsiveness to community development needs in the state 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 assessment area.

Number and Amount of Community Development Loans

The Community Development Loans Table, shown below, sets forth the information and data used to evaluate the bank's level of CD lending. The table includes 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 \$
Albany-Schenectady-Troy MSA AA	12	80.00	\$14,518	97.98
Outside AA	3	20.00	\$300	2.02

SNB demonstrated excellent responsiveness to community development needs through community development loans. Community development lending includes the following:

- one loan totaling \$1.0 million for affordable housing for low- or moderate-income individuals (the bank also assisted this borrower in obtaining an FHLBNY Grant for \$1.5 million for construction);
- one loan totaling \$5.0 million to an organization providing community services targeting low- or moderate-income youths with behavioral issues;
- six loans, totaling \$6.3 million including two line of credit renewals, to an organization that provides various services to persons with developmental issues and brain injuries, with 90 percent of revenue coming from Medicaid;
- A \$1.75 million 504 SBA loan to a dental practice where more than 50 percent of its revenue comes from Medicaid for child dental services;
- three loans for affordable housing and economic development purposes totaling \$500 thousand (including collaboration with one CD borrower in obtaining a \$400 FHLBNY affordable homes grant); and
- three loans totaling \$300 thousand for economic development benefiting organizations within and outside the AA.

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.

<i>Qualified Investments</i>										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total	#	\$(000's)
MSA AA	1	\$1,000	10	\$1,769	10	100.0	2,769	100.0	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.

SNB demonstrated adequate responsiveness to community development needs through qualified investments, donations, and grants. In 2017, 2018, and 2019, SNB's qualified investments of \$2.7 million supported schools and services to predominantly LMI geographies this included one prior period investment which matured in May of 2017. Management also made 103 donations to of \$88.7 thousand to various community development, eligible charitable and non-profit organizations within the bank's AA.

Extent to Which the Bank Provides Community Development Services

SNB demonstrated excellent responsiveness to community development needs through community development services. The Bank worked with the Planning and Economic Development Department of the City of Saratoga Springs to develop a loan review committee for their Economic Development Revolving Loan Fund which provides loans to area business to assist in start-up and expansion. The loan program is funded through the Community Development Block Grant as administered by the U.S. Department of Housing & Urban Development. In 2017, 2018, and 2019, 13 members of management were active on boards or in the capacities providing financial guidance to 15 entities within the AA. Bank management provided 771 hours of service to local agencies meeting community development needs.

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:	(01/01/2017 to 12/31/2019)	
Bank Products Reviewed:	Indirect Automobile Loans and Home Mortgage Loans, Community development loans, qualified investments, community development services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Not applicable	Not applicable	Not applicable
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
New York		
Albany-Schenectady-Troy MSA AA	Full-scope	AA consists of Albany, Rensselaer, Saratoga and Schenectady Counties

Appendix B: Summary of MMSA and State Ratings

RATINGS		Saratoga National Bank and Trust Company	
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
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 U. Assessment Area Distribution of Consumer 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 households in those geographies.
- Table V. Assessment Area Distribution of Consumer 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 households by income level in each MMSA/assessment area.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																2017-2019		
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	
Albany-Schenectady-Troy MSA AA	873	239,586	100.0	3.0	1.9	2.7	12.6	9.3	12.5	55.3	57.7	54.8	29.1	30.8	29.9	0.0	0.2	0.0
Total	873	239,586	100.0	3.0	1.9	2.7	12.6	9.3	12.5	55.3	57.7	54.8	29.1	30.8	29.9	0.0	0.2	0.0

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data and 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																2017-2019		
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	
Albany-Schenectady-Troy MSA AA	873	239,586	100.0	20.0	3.0	8.5	17.6	13.2	22.3	22.1	13.2	24.7	40.3	64.9	32.5	0.0	5.7	12.1
Total	873	239,586	100.0	20.0	3.0	8.5	17.6	13.2	22.3	22.1	13.2	24.7	40.3	64.9	32.5	0.0	5.7	12.1

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

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography													2017 - 2019	
Assessment Area:	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Albany-Schenectady-Troy MSA AA	12,913	292,701	100.0	7.6	4.4	17.0	13.4	50.8	56.4	24.4	25.7	0.1	0.1	
Total	12,913	292,701	100.0	7.6	4.4	17.0	13.4	50.8	56.4	24.4	25.7	0.1	0.1	

Source: 2015 ACS Census; 01/01/2017 - 12/31/2019 Bank Data. Due to rounding, totals may not equal 100.0

Table V: Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2017 - 2019	
Assessment Area:	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Albany-Schenectady-Troy MSA AA	12,913	292,701	100.0	24.0	9.9	15.5	23.3	18.8	27.0	41.7	39.7	0.0	0.1	
Total	12,913	292,701	100.0	24.0	9.9	15.5	23.3	18.8	27.0	41.7	39.7	0.0	0.1	

Source: 2015ACS Census; 01/01/2017 - 12/31/2019 Bank Data. Due to rounding, totals may not equal 100.0