



---

Comptroller of the Currency  
Administrator of National Banks

Large Bank

---

## **Public Disclosure**

November 30, 1998

### **Community Reinvestment Act Performance Evaluation**

**Central National Bank  
Charter Number: 1122  
24 Church Street, Box 149  
Canajoharie, New York 13317**

**Office of the Comptroller of the Currency  
Syracuse Field Office  
100 Elwood Davis Road  
North Syracuse, New York 13212**

**NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.**

# TABLE OF CONTENTS

<b>Definitions</b>	3
<b>General Information</b>	4
<b>Description of Institution and Assessment Area</b>	5
<b>Conclusions with Respect to Performance Tests</b>	10
<b>Lending</b>	
Lending Activity	11
Assessment Area Concentration	11
Borrower Characteristics	11
Geographic Distribution	13
Community Development Lending	15
Innovative or Flexible Lending Practices	15
<b>Investment</b>	16
<b>Service</b>	
Retail Banking Services	16
Community Development Services	17
<b>Fair Lending Results</b>	18
<b>Albany-Schenectady-Troy MSA Performance Conclusion</b>	19
<b>Utica-Rome MSA Performance Conclusion</b>	23
<b>Appendix</b>	
<b>A</b> Scope of Examination	27
<b>B</b> Tables	28

## Definitions

Community development - affordable housing or community services targeted to low- or moderate-income individuals, activities that promote economic development by financing small businesses or farms, and activities that revitalize or stabilize low- or moderate-income geographies.

Community development loan - a loan that has its primary purpose in community development, benefits the assessment area, and has not been reported or collected by the bank for consideration as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling.

Community development service - a service that has its primary purpose in community development, is related to the provision of financial services, and has not been considered in the evaluation of the bank's retail banking services.

Geography - a census tract or block numbering area.

HMDA loan - a "home improvement loan", "refinance loan" or "home purchase loan" that is reported on the Home Mortgage Disclosure Act's Loan Application Register.

Home improvement loan - any loan that is for the purpose in whole or in part of repairing, rehabilitating, remodeling, or improving a dwelling or the real property on which it is located and is classified by the financial institution as a home improvement loan.

Home purchase loan - any loan secured by and made for the purpose of purchasing a dwelling.

Low-Income - an individual income that is less than 50% of the area median income, or a median family income (MFI) that is less than 50%, in the case of a geography.

Middle-Income - an individual income that is at least 80% and less than 120% of the area median income, or a MFI that is at least 80% and less than 120%, in the case of a geography.

Moderate-Income - an individual income that is at least 50% and less than 80% of the area median income, or a MFI that is at least 50% and less than 80%, in the case of a geography.

Multifamily loan - any loan secured by and made for the purpose of purchasing a dwelling for five or more families. The Home Mortgage Disclosure Act does not require banks to report income data on these loans.

Upper -Income - an individual income that is 120% or more of the area median income, or a MFI that is 120% or more, in the case of a geography.

Qualified investment - a lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Refinance loan - any loan in which the existing obligation, involving either a home purchase or a home improvement loan, is satisfied and replaced by a new obligation.

Small Business Loan - a business loan (Bank Call Report definition) for \$1 million or less.

Small Farm Loan - a farm loan (Bank Call Report definition) for \$500 thousand or less.

Small Business or Small Farm - a business or farm with annual revenues of \$1 million or less.

## GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of **Central National Bank (CNB)** prepared by **Office of the Comptroller of the Currency**, the institution's supervisory agency, as of **November 30, 1998**. The agency evaluates performance in assessment area(s), as they are delineated by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 C.F.R. Part 25.

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

The primary factors supporting the overall rating are:

- C CNB's lending levels reflect good responsiveness to housing credit needs and a strong responsiveness to business and farm credit needs.
- C CNB has favorable market share when compared to other institutions for reportable real estate loans with 5%. CNB's market share to low- or moderate-income borrowers, in most cases, exceeds 5%.
- C CNB has favorable market share for reportable business and farm loans with 6% and 62% respectively. CNB's market share to businesses and farms in moderate-income geographies far exceeds the overall market share with 12% of businesses and 76% of farms.
- C The distribution of all loan originations indicates a good penetration of geographies in the assessment area including low- and moderate-income geographies.
- C CNB has a strong record of lending to small businesses and small farms. A substantial majority of loans are to businesses and farms with revenues of a \$1 million dollars or less and in amounts less than \$100 thousand.
- C Housing related loan originations to low-income borrowers is reasonable and moderate-income borrowers is good.

- C A majority of CNB's home mortgages, small business and small farm loans are originated within the assessment area.
- C CNB's level of community development investments is reasonable.
- C CNB's branch system, drive-up windows, and ATM's are accessible to all geographies and individuals of different income levels in its assessment area. The products and services offered are tailored to meet the needs of the community.

The following chart indicates the performance level of CNB with respect to the lending, investment, and service tests:

<b>Central National Bank Performance Tests</b>			
	<b>Lending Test*</b>	<b>Investment Test</b>	<b>Service Test</b>
Outstanding			
High Satisfactory	X		
Low Satisfactory		X	X
Needs to Improve			
Substantial noncompliance			

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

### ***Description of Institution***

Central National Bank (CNB) is a wholly-owned subsidiary of holding company CNB Financial Corp., headquartered in Canajoharie, New York. CNB is a full-service financial institution offering several loan products including residential and commercial mortgages, commercial and agricultural loans, and a variety of consumer loans. CNB has 20 full-service banking offices throughout its assessment area (AA) with the main office located in Canajoharie. CNB's offices and assessment areas are entirely within the borders of New York State.

As of September 30, 1998, CNB's assets totaled \$692 million including \$372 million in loans representing 54% of total assets. The loan portfolio consists mainly of real estate mortgages (42%) and consumer loans (38%). Residential, commercial and farm real estate loans represent (24%), (14%) and (4%) of total assets, respectively. The remainder of the loan portfolio includes: commercial loans (9%), lease financing receivables (6%), and agricultural loans (5%). Management's lending strategy

includes purchasing and originating indirect mobile home loans and a strong emphasis on agricultural lending both inside and outside the assessment area.

Competition is strong in the larger towns of Amsterdam, Rotterdam, Herkimer, and Oneonta. Primary competitors include Fleet Bank, Key Bank, Marine Midland, Herkimer County Trust Company, Amsterdam Federal Savings, National Bank and Trust Company, Wilber National Bank, and various mortgage companies and credit unions.

There are no financial or legal impediments preventing CNB from meeting the credit needs of its community.

### ***Description of Assessment Area***

CNB has three defined AA's within central New York State. The first AA consists of three counties in the Albany-Schenectady-Troy Metropolitan Statistical Area (MSA 0160). The second AA consists of one county in the Utica-Rome MSA (MSA 8680). The last AA consists of two counties located in nonMSA portions of the state. All AA's meet regulatory guidelines and do not arbitrarily exclude any low- or moderate-income (LMI) areas. CNB's performance in MSA's 0160 and 8680 is detailed later in this report.

CNB's combined AA consists of 114 geographies, 74 of which are designated as middle- or upper-income geographies. The two low-income geographies are located in the City of Schenectady. The 36 moderate-income geographies are located in the City of Gloversville (3), the Village of Ilion (1), the City of Little Falls (2), the Village of Dolgeville (1), the Village of Herkimer (1), the City of Amsterdam (5), the Town of Mohawk (1), the Town of Palantine (1), the Village of St. Johnsville (1), Village of Fort Plain (1), the Village of Canajoharie (1), the Town of Root (1), the Town of Florida (1), the City of Schenectady (11), the Town of Carlisle (1), the Town of Richmondville (1), the Town of Fulton (1), the Town of Middleburgh (1), and the Town of Gilboa (1).

Assessment Area Demographics					
Income Level of Geography	# of Geographies in AA	% of Geographies	Distribution of Owner Occupied Housing Units		<b>EXPLANATION:</b>  The adjacent table indicates that there are 114 geographies in the AA. Of the 114 geographies, two geographies or 2% of the total are located in low- income geographies. Furthermore, 36 geographies or 32% of the total are located in moderate-income geographies.  The adjacent table also indicates that there are 182 thousand owner-occupied housing units in the AA. Of the 182 thousand, three thousand units or 1% of the total are located in low-income geographies. Another 49 thousand units or 22% of the total are located in moderate-income geographies.
			# of units	% in applicable tract	
Low	2	1.7%	3,327	1%	
Moderate	36	31.7%	49,393	22%	
Middle	66	57.9%	116,660	68%	
Upper	8	7.0%	13,059	9%	
N/A	2	1.7%	56	0%	
Total	114	100%	182,495	100%	

Based on 1990 U. S. Census Data, the population in the bank’s AA is 414,630. The distribution of families within the AA is as follows: low-income families 21%, moderate-income families 21%, middle-income families 25%, and upper-income families 32%. The median housing value is \$72 thousand. The median age of housing stock is 50 years. Total occupied housing units are 86%, with owner-occupied housing at 59% and rental occupied housing at 26%; 13% are vacant. As reflected in the table above, 23% of owner-occupied housing are located in low- and moderate-income geographies.

The **Albany-Schenectady-Troy MSA** (MSA 0160) consists of six counties, three of which are designated as the bank’s first AA. The three counties - Montgomery, Schenectady, and Schoharie - have 233 thousand people residing within its 64 geographies. Thirteen of CNB’s 20 branches are located in this MSA. The income classifications for the geographies are as follows: low-income (2), moderate-income (28), middle-income (26), and upper-income (6) geographies, as well as, two geographies where the income is not available (NA). The two geographies designated NA represent a facility for the elderly maintained by the state in Amsterdam and the State University of New York (SUNY) in Cobleskill. The table below indicates the distribution of geographies and owner-occupied housing units within this AA.

The 1990 Census Median Family Income for MSA 0160 is \$39,425. This figure is used to determine the income level of a geography. For example, if the median family income for a geography is less than

50% of this number (\$39,425), it is considered a low-income geography. The adjusted median family incomes for MSA 0160 for 1997 and 1998 are \$47,000 and \$47,400, respectively. For example, a borrower located in MSA 0160 whose income is less than 50% of \$47,000 in 1997 or \$47,400 in 1998, is considered a low-income borrower. The median housing value in this portion of CNB's AA is \$82 thousand. The table below also indicates the distribution of families based on their income level.

Assessment Area Demographics for MSA 0160						
Income Level of Geography	# of Geographies in AA	% of Geographies	Distribution of Owner Occupied Housing Units		Distribution of Families Based on Income	
			# of units	% in applicable tract	Income Level of Family	% of total
Low	2	3%	3,327	1%	Low	21%
Moderate	28	44%	39,503	33%	Moderate	22%
Middle	26	41%	43,595	50%	Middle	26%
Upper	6	9%	12,570	16%	Upper	31%
N/A	2	3%	56	0%	N/A	0%
Total	64	100%	99,051	100%	Total	100%

Business demographic data for 1998 indicates that there are 6,545 businesses and 178 farms in this AA. Small businesses and farms represent 91% of the 5,730 businesses and farms reporting revenues. Approximately 83% of all businesses and farms in the area employ less than 10 people. Unemployment for MSA 0160 was 3.1% during October 1998 which is low compared with the state unemployment rate of 5.1%. As of October 1998, unemployment rates are as follows: Montgomery County 4.7%, Schenectady County 3.6% and Schoharie County 3.3%. The Albany-Schenectady-Troy area continues to lose jobs as large employers (e.g. General Electric, State of New York) continue to downsize.

The **Utica-Rome MSA** (MSA 8680) consists of two counties, one of which (Herkimer) represents the bank's second AA. CNB's second AA consists of 19 geographies including five moderate-income and fourteen middle-income geographies with 67 thousand residents. CNB has only one branch in this AA. The branch is located in Middleville which is in a middle-income geography. The table below indicates the distribution of geographies and owner-occupied housing units.

The 1990 Census Median Family Income for MSA 8680 is \$31,702. The adjusted median family incomes in MSA 8680 for 1997 and 1998 are \$37,200 and \$37,700, respectively. The median housing value in this portion of CNB's AA is \$57 thousand. The table below also indicates the distribution of families based on their income level.

Assessment Area Demographics for MSA 8680						
Income Level of Geography	# of Geographies in AA	% of Geographies	Distribution of Owner Occupied Housing Units		Distribution of Families Based on Income	
			# of units	% in applicable tract	Income Level of Family	% of total
Low	0	0%	0	0%	Low	22%
Moderate	5	26%	5,252	14%	Moderate	21%
Middle	14	74%	25,547	86%	Middle	25%
Upper	0	0%	0	0%	Upper	32%
N/A	0	0%	0	0%	N/A	0%
Total	19	100%	30,799	100%	Total	100%

Business demographic data for MSA 8680 indicates that there are 1,528 businesses and 47 farms in this AA. Small businesses and farms represent 93% of the 1,312 businesses and farms reporting revenues. Approximately 85% of all businesses and farms in the area employ less than 10 people. The unemployment rate for MSA 8680 was 3.5% in October 1998. Herkimer County's unemployment rate in October 1998 was 3.9%.

CNB's third AA consists of two counties - Fulton and Otsego - located in a **nonMSA**. This AA contains 31 geographies and 114,708 residents. The 1990 Census Median Family Income for the third AA, the Non-MSA portion, is \$31,472. The adjusted median family incomes in the Non-MSA portion of the AA (Fulton and Otsego Counties) for 1997 and 1998 are \$37,100 and \$37,700, respectively. The table below describes the distribution of geographies and owner-occupied housing units and the distribution of families based on their income level.

Assessment Area Demographics for nonMSA						
Income Level of Geography	# of Geographies in AA	% of Geographies	Distribution of Owner Occupied Housing Units		Distribution of Families Based on Income	
			# of units	% in applicable tract	Income Level of Family	% of total
Low	0	0%	0	0%	Low	20%
Moderate	3	10%	4,638	7%	Moderate	20%
Middle	26	84%	47,518	92%	Middle	25%
Upper	2	6%	489	1%	Upper	35%

Assessment Area Demographics for nonMSA						
N/A	0	0%	0	0%	N/A	0%
Total	31	100%	52,645	100%	Total	100%

Business demographic data indicates that there are 3,462 businesses and 77 farms in this AA. Small businesses and farms represent 92% of the 2,924 businesses and farms reporting revenues. Approximately 84% of all businesses and farms in the area employ less than 10 people. The economic condition of the communities within the AA is generally stable. The October 1998 unemployment rates for Otsego and Fulton Counties are 3.8% and 5.0% respectively. The median housing value for the two counties combined is \$61,734. The median housing value for the counties individually is \$54,862 for Fulton County and \$68,573 for Otsego County.

The primary credit needs as described by two community contacts and bank management are affordable home purchase loans and small business and farm loans. Our community contacts included two organizations involved with economic revitalization in the AA.

## Conclusions with Respect to Performance Tests

### *Examination Scope:*

This review covered the time period from September 24, 1996 through November 30, 1998. We formulated our conclusions for the lending test based on the data compiled using CNB's Loan Application Register (LAR) filed pursuant to the Home Mortgage Disclosure Act (HMDA) and small business and small farm data reported for calendar year 1997 and the first ten months of 1998. CNB's HMDA, business and farms loan originations in 1997 were compared to other lenders to determine CNB's market share. In 1998, we also considered home equity loans in our evaluation as management elected to compile the information for this year. During our examination, we relied on several reports prepared by the bank. We reviewed all reports provided by management and verified their accuracy.

From this point forward, all information presented represents activities which occurred in the bank's combined AA unless otherwise noted. The information contained in the Albany-Schenectady-Troy MSA and Utica-Rome MSA conclusion sections of this report represents the activities of the bank within its AA portion of these MSAs.

## **LENDING TEST**

### **Lending Activity**

CNB's lending levels reflect good responsiveness to credit needs. During 1997, CNB originated 381 HMDA reportable loans for \$12.5 million. CNB ranked fourth with 5% of the market share. All market share data included in this report is based on 1997 originations. Market share data for 1998 was not available at the time this report was issued. The top three lenders also had 5% market share with less than 75 originations separating the first ranked institution with CNB. In the first ten months of 1998, CNB originated 352 reportable loans totaling \$14 million.

CNB is active in small business and very active in small farm lending. During 1997, CNB originated 314 loans to businesses and farms for \$8.9 million. CNB ranked seventh in business loan originations with 6% market share. Higher ranked institutions are much larger except for the leader in business loan originations which is similar in total asset size. CNB is ranked first in farm loan originations with 62% market share. In the first ten months of 1998, CNB originated 229 loans to businesses and farms for \$12.1 million.

### **Assessment Area Concentration**

An analysis of all originations from January 1, 1997 through December 31, 1997, indicates that 56% of the number and 54% of the dollar amounts of all loan originations are inside the AA. Between January 1, 1998 and November 7, 1998, 50% of the number and 54% of the dollar amounts of all originations are inside the AA. Table 1 in Appendix B details CNB's residential real estate loans, small business and farm loans, and home equity loans originated in 1997 and 1998. CNB chooses to originate/purchase mobile home loans and farm loans outside the AA contributing to these low ratios.

### **Borrower Characteristics**

#### ***Home Mortgage Lending***

CNB's lending performance is reasonable for the home purchase, home improvement, and refinancing products to borrowers of all income levels including low- and moderate-income borrowers. Table 2 in Appendix B details the borrower distribution for HMDA reportable loans.

CNB's originations to low-income borrowers for home purchase loans is below the distribution of family incomes in the AA for both 1997 and 1998. For example, low-income families account for 21% of families in the entire AA. In 1997, 7% of home purchase loans originated were to low-income families; in 1998, 9% of home purchase loans were to low-income families. In 1997, CNB ranked tenth in home purchase loan originations to low-income borrowers with nine originations and 3% of the market share. The institution ranked first had thirty originations and 11% of the market share. A majority of those institutions with greater market share are mortgage brokers. One reason for the lack

of home purchase loans to low-income borrowers is that their income is not sufficient to purchase a house because of the relatively high median housing values. The median housing value in the AA is \$71,967. In comparison, a low-income borrower's income is less than \$23,700 in MSA 0160 and less than \$18,550 in the two remaining AA's.

Home purchase loans to moderate-income borrowers is slightly below the distribution of family incomes in the AA for 1998 and well above the distribution of family incomes in 1997. Moderate-income families account for 21% of the families in the entire AA. In 1997, 30% of home purchase loans were to moderate income families; in 1998, 18% of home purchase loans were to moderate-income families. Market share data for 1997 ranked CNB fifth in home purchase loan originations to moderate-income borrowers with 41 originations and 5% of the market share. The institution ranked first had 68 originations and 8% of the market share. All institutions with greater market share are mortgage brokers.

CNB's home improvement loans to low- and moderate-income families either met or exceeded the family distribution of low- and moderate-income families in the AA for both 1997 and 1998. In both 1997 and 1998, 21% of the home improvement loans were to low-income families which meets the distribution of low-income families in the AA. Market share data for 1997 ranked CNB first with 36 loans to low-income borrowers and 17% of the market share. In 1997, 27% of CNB's home improvement loans were to moderate-income families. In 1998, CNB originated 26% of its home improvement loans to moderate-income families. CNB ranked second with 46 home improvement loans to moderate-income borrowers and 12% of the market share. The institution ranked first had 47 originations.

CNB's originations to low-income borrowers for refinanced real estate mortgage loans is below the distribution of family incomes in the AA for both 1997 and 1998. Low-income borrowers accounted for 9% of the refinances in 1997 and 4% in 1998. CNB ranked ninth with seven refinances to low-income borrowers in 1997 and 3.5% of the market share. The lender ranked first had 20 originations and 10% of the market share. The majority of institutions with greater market share are mortgage brokers or larger banks. Refinanced real estate mortgages to moderate-income borrowers is slightly below the distribution of family incomes in the AA for both 1997 and 1998. Moderate-income borrowers accounted for 19% of refinances in 1997 and 16% in 1998. CNB ranked tenth with 14 refinances to moderate-income borrowers and 3% of the market share. The lender ranked first had 43 refinancings and 9% of the market share. The majority of institutions with greater market share are mortgage brokers or larger banks.

### **Consumer Loans**

The distribution of home equity loans to borrowers of different income levels is reasonable. As detailed in Table 2 in Appendix B, 12% of the number of loans originated were to low-income borrowers; moderate-income borrowers accounted for 17% of home equity loan originations.



### ***Small Business and Small Farm Lending***

Our review of business and farm loans for 1997 and 1998 indicates that a substantial majority of the loans originated are to small businesses and small farms. Table 3 in Appendix B details the loan size and revenue distribution of business and farm loans.

In 1997, 98% of the business loans originated were to businesses with revenues of \$1 million or less. In comparison, only 91% of all businesses that reported revenues have revenues of \$1 million or less. This compares favorably to the revenue distribution of all businesses. In 1998, 97% of the business loans originated were to businesses with revenues of \$1 million or less.

In 1997, 99% of the farm loans originated were to farms with revenues of \$1 million or less which compares favorably to the distribution of farms. In comparison, 99% of all farms that reported revenues have revenues of \$1 million or less. In 1998, 96% of the farm loans originated were to farms with revenues of \$1 million or less.

CNB's distribution of lending to small businesses and small farms by loan size reflects excellent responsiveness to the identified AA credit needs. For calendar year 1997, 98% of all business loans have loan amounts less than or equal to \$100 thousand. For 1998, 88% of all business loans have loan amounts less than or equal to \$100 thousand. For calendar year 1997, 95% of all farm loans have loan amounts less than \$100 thousand; for 1998, 89% of all farm loans have loan amounts less than \$100 thousand. The number of originations closely correlates to the distribution of small business and small farm loans by revenue size for the same time period.

### **Geographic Distribution**

#### ***Home Mortgage Lending***

Our review of CNB's geographic distribution of 1997 and 1998 HMDA reportable loans reflects good penetration throughout the AA including moderate-income geographies. We did not identify any conspicuous gaps in the geographic distribution of HMDA reportable loan originations. Table 4 in Appendix B details the geographic distribution of HMDA loans.

The geographic distribution of HMDA loans to borrowers in low-income geographies is reasonable. CNB originated 1% of its home purchase loans in 1997 to borrowers purchasing homes in low-income geographies; in 1998, CNB did not originate any home purchase loans to borrowers in low-income geographies. Market share data for 1997 indicates CNB is ranked fourth in home purchase loans in low-income geographies with one origination and 4% of the market share. The institution ranked first originated four home purchase loans in low-income geographies representing 15% of the market share.

CNB did not originate any home improvement or refinance loans to borrowers located in low-income geographies in both 1997 and 1998. This is reasonable given that only 1% of all owner-occupied housing units in the AA are located in low-income geographies. Market share data for 1997 indicates the institutions ranked first originated one home improvement loan and six refinances to borrowers in low-income geographies.

The geographic distribution of HMDA loans to borrowers in moderate-income geographies is very good and compares favorably to the distribution of owner-occupied housing units in moderate-income geographies. For example, 22% of owner-occupied housing units in the AA are located in moderate-income geographies. In 1997, 39% of all home purchase loans were to borrowers purchasing homes in moderate-income geographies; in 1998, 31% of home purchase loans were to borrowers purchasing homes in moderate-income geographies. Market share data indicates CNB is ranked third in home purchase loans to borrowers in moderate-income geographies with 54 originations and 6% of the market share. The institution ranked first originated 93 home purchase loans representing 11% of the market share.

In 1997, 46% of all home improvement loans were to borrowers in moderate-income geographies; in 1998, this increased to 50%. Market share data for 1997 indicates CNB ranked first in home improvement loans to borrowers in moderate-income geographies with 78 originations and 21% of the market share. The institution ranked second originated 45 home improvement loans to borrowers in moderate-income geographies representing 12% of the market share. In 1997, 36% of all refinances were to borrowers in moderate-income geographies; in 1998, this increased to 37%. Market share data for 1997 indicates CNB ranked fifth with 27 originations to borrowers in moderate-income geographies representing 5% of the market share. The institution ranked first originated 39 refinances to borrowers in moderate-income geographies representing 7% of the market share.

### **Consumer Lending**

The geographic distribution of CNB's home equity loans to borrowers is good. Refer to Table 4 in Appendix B for additional details. In 1998, 43% of the number and 44% of the dollar amount of home equity loans were originated to borrowers in moderate-income geographies. Only 22% of the owner-occupied housing units are located in moderate-income geographies. In 1998, CNB did not originate any home equity loans to borrowers in low-income geographies; however, only 1% of the owner-occupied housing units are located in low-income geographies.

### ***Small Business and Small Farm Loans***

CNB's lending to small businesses and farms in different geographies is good. We did not identify any conspicuous gaps in the geographic distribution of small business and farm loan originations. Table 5 in Appendix B details the geographic distribution of small business and small farm loans.

In both 1997 and 1998, CNB did not originate any small business or small farm loans in low-income geographies. This is considered reasonable because only 1% of all businesses and no small farms are located in low-income geographies. Market share data for 1997 indicates that the institution ranked first for small business loans originated five loans to businesses located in low-income geographies.

CNB's record of originating small businesses and small farms loans in moderate-income geographies is excellent. In 1997, 54% of all small business loans originated were to businesses located in moderate-income geographies; in 1998, 50% of all small business loans were to businesses in moderate-income geographies. In comparison, only 28% of all businesses in the AA are located in moderate-income geographies. Market share data for 1997 indicates CNB ranked second in business loan originations with 79 originations and 12% of the market share. The institution ranked first had 88 business loan originations and 14% of the market share.

In 1997, 57% of all small farm loans originated were to farms located in moderate-income geographies; in 1998, this increased to 58%. In comparison, only 22% of all farms in the AA are located in moderate-income geographies. Market share data for 1997 indicates CNB ranked first in farm loans originations in moderate-income geographies with 96 originations and 76% of the market share.

### **Community Development Lending**

The bank originated two community development loans totaling \$213,400.

The bank participated in a loan originated by the New York Business Development Corporation (NYBDC) Capital Corporation, a small business investment company (SBIC) and wholly owned subsidiary of NYBDC. The bank extended a \$250,000 construction loan to a local business, and subsequently participated in the permanent financing with a \$127,000 loan.

CNB extended a revolving line for construction and rehab work in the amount of \$300,000 to a local, non-profit mortgage lender specializing in low- and moderate-income housing. This organization finances construction and permanent loans to private and non-profit owners to create, rehabilitate, and preserve residential properties. CNB was one of the original investors in this organization. In November of 1997 the bank reduced the rate to 1/2% below prime. As of June 1998, \$86,400 has been drawn down from this fund.

### **Innovative and Flexible Lending**

CNB participates in the Rural Housing and Community Development Service's (RHCD) Rural Housing (RH) loan guarantee program. To be eligible, the applicant must meet several requirements including having an income less than 115% of the median income for the county and establishing residence in a rural area. Some benefits to the borrower include a loan-to-value ratio up to 100%, no

down payment, closing costs included in the loan amount, no private mortgage insurance, and a thirty year term. During 1997, CNB originated \$410,000 in loans under this program; in 1998, CNB originated \$277,000 in loans.

In 1997, CNB committed \$225,000 to Amsterdam Housing Authority's First-Time Homebuyer Program. All applicants must receive credit counseling prior to application, and as incentive, the program allows a total debt ratio up to 42%. The program offers 15, 20 and 30 year loans using CNB's underwriting standards.

## **INVESTMENT TEST**

CNB has pursued several different types of investment opportunities in their AA resulting in an adequate total investment amount of \$817,704. These investments are responsive to the identified credit needs in the community.

In November 1997, CNB invested \$650,000 in a general obligation bond for a new water treatment facility for a local village. The entire village is located in a moderate-income geography. For several years, village residents have been notified to boil their drinking water due to substandard water treatment processes. The new treatment facility is an infrastructure improvement which will stabilize and revitalize the community by retaining existing manufacturing plants which are major area employers.

CNB extended a \$600,000 commitment to purchase investments offered by a local, non-profit mortgage lender specializing in low- and moderate-income housing-the same organization referred to in the Community Development Lending Test. As of June 1998, CNB had \$146,700 invested with the organization. These investments, which essentially act as mortgage backed securities, are then sold to various pension funds, insurance companies, or participating banks.

CNB is a member of the Federal Home Loan Bank (FHLB) and receives dividends on their capital stock investment. The Affordable Housing Program (AHP) administered by the FHLB is funded by allocating 10% of member banks annual dividends to the program. CNB's AHP assessment for 1998 was \$15,394.

During the course of the review period the bank donated \$5,610 to non-profit organizations providing services to low- and moderate-income individuals throughout their AA.

## **SERVICE TEST**

CNB operates 20 full service branches, 15 with drive-thru facilities which are accessible to all segments of the community. The bank also has a network of 13 Automatic Teller Machines (ATMs). This network includes three ATMs in grocery stores and one at Fulton-Montgomery Community College.

ATMs located in grocery and convenience stores are available during store hours, including Saturday and Sunday, while the remaining ATMs are available 24 hours per day. Customers and noncustomers alike can access their accounts through CNB ATMs which are connected to the NYCE and PLUS ATM systems. Customers may also use their CNB card to obtain cash throughout the world at nonbank ATMs bearing the NYCE or PLUS logos.

The bank office hours are tailored to meet the needs of the community and are considered reasonable. The majority of branches are open between 9:00am and 3:00pm. Branches that also offer drive-thru service generally extend the hours at the drive-thru window either before or after lobby hours. Twelve branches are open on Saturday, generally from 9:00am to 1:00pm.

CNB's main office and operations center are located in the moderate-income community of Canajoharie. CNB has no branches in low- or upper-income geographies; however, CNB's Rotterdam Wal-Mart Office is in close proximity to the two low-geographies in Schenectady County. The distribution of branches in the remaining moderate- and middle-income geographies compared to the number of geographies is reasonable. 35% of the bank's branches are located in moderate-income geographies. This compares well to the AA overall with moderate income geographies at 31%. 65% of the banks branches are located in middle-income geographies compared to 58% of the geographies. Refer to Table 14 in Appendix B for additional details.

### **Community Development Services**

CNB offers several affordable savings accounts. Passbook and statement savings account holders must maintain a \$100 average daily balance for the quarter to avoid a \$5 maintenance fee. The scholarship savings account is available to anyone saving for any person's education; the account holder must deposit \$25 to open the account. The holiday club account is available with a minimum opening deposit of \$2.

CNB offers seven personal checking accounts which are very affordable to the consumer. Six of these accounts require a minimum opening deposit of \$50, while the Totally Free Checking Account requires a minimum opening deposit of \$25. The Totally Free Checking account does not require a minimum balance, imposes no monthly service or per check charge, and offers unlimited checkwriting. The Unlimited Interest Checking has features similar to the Totally Free Checking account; however, the account earns interest and has a monthly maintenance fee of \$4 per month. This account also offers free checks. The Economy Interest Checking does not require a minimum balance, imposes no monthly service charge and a \$.20 per check charge, and earns interest. The 50 Plus Interest Checking is available to those people 50 or older. This account does not require a minimum balance, imposes no monthly service or per check charge, offers unlimited checkwriting, and earns interest. Finally, the VIP interest checking offers does not require a minimum balance, imposes no monthly service or per check charge, offers unlimited checkwriting, and earns interest. This account is available for those with an automatic

CNB loan payment or Direct Deposit to this CNB account of payroll, Social Security or recurring government checks.

CNB's Automated Customer Service Center is available 24 hours a day using a touch-tone phone or TDD for the hearing impaired. An accountholder can access savings and checking account information, review their loan account information, request interest rate information, and, in some cases, transfer funds. CNB also offers BANKELECT an online banking service. This 24- hour service lets you bank and pay bills from anywhere using an ATM like ScreenPhone, a personal computer, or through the Internet. Currently, 61 accountholders have access to their accounts using BANKELECT. An accountholder can also complete a variety of transactions by mail, including checking and savings deposits and loan payments.

Employees conducted a Home Buyer Seminar at two branches. The speakers provided a step-by-step account of the home buying process.

Officers of the bank provide technical expertise to several organizations in the area including the following:

A CNB employee is a member of the Mohawk Valley Heritage Corridor Commission. The Commission is the administering body for Community Development Block Grant funds for the Mohawk Valley area. In his capacity as a Commissioner, this employee makes recommendations about the granting of funds to small cities in the area.

A member of senior management is a member of the Amsterdam Waterfront Revitalization Committee. The organization plans to build a park which will include a marina, band shell, gardens, and a pedestrian bridge to nearby retail outlets. Upon completion, the committee expects the park to revitalize a depressed, predominately moderate-income community and possibly attract new business to the area.

## **FAIR LENDING EXAMINATION**

A concurrent fair lending review did not identify any substantive violations of the various anti-discrimination laws and regulations.



## **Metropolitan Statistical Areas**

### **Conclusions with Respect to Performance Tests in the Albany-Schenectady-Troy MSA (MSA 0160)**

CNB's performance in helping meet the credit needs of its assessment area in MSA 0160 is consistent with its overall performance.

### **Summary of Institution's Operations in MSA 0160**

CNB operates 13 of its 20 branches in MSA 0160. Nine of the 13 branches have 24 hour ATM accessibility, and ten of the 13 branches have drive-thru facilities. All offices offer a full range of loan and deposit services.

### **Description of MSA 0160**

Please refer to the Albany-Schenectady-Troy AA description earlier in this report for further details.

## **LENDING TEST**

### **Lending Activity in the MSA Compared to the Overall AA**

In 1997, CNB originated 202 HMDA reportable loans within MSA 0160 totaling \$6.2 million. Based on market share data for 1997 HMDA reportable loans, CNB ranked seventh with 4% of the market share. During the first 10 months of 1998, CNB originated 175 HMDA reportable loans within MSA 0160 totaling \$7.1 million. Approximately 50% of the HMDA loans originated in CNB's total AA are to borrowers located in the portion of MSA 0160 within the AA. During 1997, CNB originated 202 business and farm loans totaling \$5.4 million in MSA 0160; in 1998, CNB originated 137 business and farm loans totaling \$4.7 million within the MSA. Market share data for business and farm loans originated in 1997 indicates CNB ranked fifth in business loans with 7% of the market share; CNB ranked first in farm loans with 75% of the market share. CNB originated 49 home equity loans totaling \$1.8 million.

### **Borrower Characteristics**

#### ***Home Mortgage Lending***

CNB's 1997 and 1998 HMDA data indicates a reasonable level of lending activity to borrowers of all income levels including low- and moderate-income borrowers in MSA 0160. Refer to Table 6 in Appendix B for additional details.

Market share data for 1997 HMDA reportable loans indicates CNB ranked ninth in home purchase loans to low-income borrowers with 3% of the market share; CNB ranked seventh in home purchase loans to moderate-income borrowers with 4% of the market share. CNB ranked first in home improvement loans to low-income borrowers with 26% of the market share; CNB ranked second in home improvement loans to moderate-income borrowers with 12% of the market share. CNB ranked sixth in refinances to low-income borrowers with 5% of the market share; CNB ranked tenth in refinances to moderate-income borrowers with 3% of the market share.

## **Consumer Lending**

Consumer lending in the form of home equity loans to borrowers of different income levels is good in the MSA portion of the AA. Refer to Table 6 in Appendix B for additional details.

### ***Small Business Lending***

CNB's business and farm lending within the MSA reflects good penetration of small businesses and small farms. In 1997 and 1998, 97% of the number of business loans originated were to businesses with revenues of \$1 million or less. This compares favorably to the revenue distribution of businesses which indicates 91% of all businesses reporting revenues have revenues of \$1 million or less. Please refer to Table 7 in Appendix B for details. Additionally, 98% of the number of loans in 1997 and 96% of the number of loans in 1998 were business loans in amounts less than \$100 thousand.

In 1997, 99% of the number of farm loans originated were to farms with revenues of \$1 million or less; in 1998, 92% of the number of farm loans were to farms with revenues of \$1 million or less. This compares similarly to the revenue distribution of farms which indicates 99% of all farms have revenues of \$1 million or less. Please refer to Table 7 in Appendix B for details. Additionally, 97% of the number of loans in 1997 and 91% of the number of loans in 1998 were farm loans in amounts less than \$100 thousand.

## **Geographic Distribution of Loans**

### ***Home Mortgage Lending***

For 1997 and 1998 HMDA reportable loans, CNB's penetration of the geographies in the MSA 0160 is good. Refer to Table 8 in Appendix B. In both 1997 and 1998, the number and amount of HMDA loans to borrowers in moderate-income geographies far exceeded the geographic distribution of owner-occupied housing units.

Market share data indicates CNB ranked ninth in home purchase loans to borrowers in low-income geographies earning 4% of the market share; CNB ranked seventh in home purchase loans to

borrowers in moderate-income geographies with 7% of the market share. CNB did not originate any home improvement or refinances to borrowers in low-income geographies in 1997. CNB ranked first in home improvement loans to borrowers in moderate-income geographies with 23% of the market share. CNB ranked fourth in refinances to borrowers in moderate-income geographies with 5% of the market share.

### **Consumer Lending**

CNB's geographic distribution of 1998 home equity loan originations in MSA 0160 is good. Table 8 in Appendix B indicates 71% of the number and the amount of home equity loan originations are in moderate-income geographies which far exceeds the geographic distribution of owner-occupied housing units.

### ***Small Business Loans***

CNB's geographic distribution of small business and small farm loan originations within MSA 0160 indicates good penetration of the geographies. Table 9 in Appendix B details the distribution for both small business and small farm loan originations in 1997 and 1998. The table indicates that the number and amount of loans to business and farms in moderate-income geographies far exceeds the geographic distribution of small businesses and small farms.

In 1997, CNB did not originate any business or farm loans in low-income geographies in 1997. CNB ranked first in business loan originations in moderate-income geographies in MSA 0160 with 14% of the market share. CNB ranked first in farm loan originations in moderate-income geographies with 75% of the market share.

### **Community Development Lending**

CNB originated one community development loan in this AA totaling \$86,400. Refer to the Community Development Lending section of the overall bank for additional details.

### **Innovative or Flexible Lending Practices**

The lending practices in this AA do not differ from those in the overall bank. Refer to the Lending Test for the overall bank for additional details.

## **INVESTMENT TEST**

CNB has pursued several different types of investment opportunities in MSA 0160 resulting in a total investment amount of \$817,704. Refer to the Investment Test for the overall bank for additional details.

## **SERVICE TEST**

As previously mentioned, CNB operates 13 of its 20 branches in MSA 0160. Refer to Table 14 in Appendix B. Nine of the 13 branches have 24 hour ATM accessibility, and ten of the 13 branches have drive-thru facilities. All offices offer a full range of loan and deposit services. These products and services do not differ from those previously mentioned. Refer to the Service Test for the overall bank for additional details.

### **Community Development Services**

The community development services in the MSA do not differ from those previously mentioned. Refer to the Service Test for the overall bank for additional details.

## **Conclusions with Respect to Performance Tests in the Utica-Rome MSA (MSA 8680)**

CNB's performance in helping meet the credit needs of its assessment area in MSA 8680 is consistent with its overall performance.

### **Summary of Institution's Operations in MSA 8680**

CNB operates only one of its 20 branches in MSA 8680. The sole office is in Middleville, New York which is located in a middle-income geography. This office offers a full range of loan and deposit services. This office does not have ATM or drive-up facilities.

### **Description of MSA 8680**

Please refer to the Utica-Rome AA description earlier in this report for further details.

## **LENDING TEST**

### **Lending Activity in the MSA Compared to the Overall AA**

In 1997, CNB originated 59 HMDA reportable loans within MSA 8680 totaling \$2.0 million. Market share data for 1997 indicates CNB ranked sixth in HMDA loan originations with 4% of the market share. During the first 10 months of 1998, CNB originated 53 HMDA reportable loans within MSA 8680 totaling \$1.6 million. Approximately 15% of the HMDA loans originated in CNB's total AA are to borrowers located in the portion of MSA 8680 within the AA which is good considering only five of CNB's branches are located in this MSA. During 1997, CNB originated 36 business and farm loans totaling \$1.3 million in MSA 8680; in 1998, CNB originated 27 business and farm loans totaling \$1.4 million within the MSA. Market share data for 1997 indicates CNB ranked thirteenth in business loans in MSA 8680 with 1% of the market share; CNB ranked first in farm loans with 58% of the market share. In 1998, CNB originated 12 home equity loans totaling \$400 thousand.

### **Borrower Characteristics**

#### ***Home Mortgage Lending***

CNB's 1997 and 1998 HMDA data indicates a reasonable level of lending activity to borrowers of all income levels including low- and moderate-income borrowers in MSA 8680. Refer to Table 10 in Appendix B for additional details.

Market share data for 1997 HMDA reportable loans indicates CNB ranked eighth in home purchase loans to low-income borrowers with 2% of the market share; CNB ranked sixth in home purchase loans to moderate-income borrowers with 7% of the market share. CNB ranked eighth in home

improvement loans to low-income borrowers with 4% of the market share; CNB ranked sixth in home improvement loans to moderate-income borrowers with 7% of the market share. CNB did not originate any refinances to low-income borrowers in MSA 8680 in 1997; CNB ranked nineteenth in refinances to moderate-income borrowers with 1% of the market share.

### **Consumer Lending**

Consumer lending in the form of home equity loans to borrowers of different income levels is reasonable in the MSA portion of the AA. Refer to Table 10 in Appendix B for additional details.

### ***Small Business Lending***

CNB's business and farm lending within the MSA portion of the AA reflects a good penetration of small businesses and small farms. In 1997, 100% of the number of business loans originated were to businesses with revenues of \$1 million or less; in 1998, 86% of the number of business loans were to businesses with revenues of \$1 million or less. This compares favorably to the revenue distribution of businesses which indicates 93% of all business reporting revenues have revenues of \$1 million or less. Please refer to Table 11 in Appendix B for details. Additionally, 100% of the number of loans in 1997 and 86% of the number of loans in 1998 were business loans in amounts less than \$100 thousand.

In 1997, 100% of the number of farm loans originated were to farms with revenues of \$1 million or less; in 1998, 95% of the number of farm loans were to farms with revenues of \$1 million or less. This compares favorably to the revenue distribution of farms which indicates 100% of all farms reporting revenues have revenues of \$1 million or less. Please refer to Table 11 in Appendix B for details. Additionally, 87% of the number of loans in 1997 and 85% of the number of loans in 1998 were farm loans in amounts less than \$100 thousand.

### **Geographic Distribution of Loans**

#### ***Home Mortgage Lending***

For 1997 and 1998, CNB's penetration of the geographies in the MSA portion of the AA is reasonable. Refer to Table 12 in Appendix B. The table indicates, 1997 HMDA loan originations in moderate-income geographies is below the portion of owner-occupied households in the MSA portion of the AA. This is reasonable given that CNB has only one branch in the AA. This branch is located in a middle-income geography. This branch is surrounded by middle-income geographies.

Market share data indicates CNB ranked eighth in home purchase loans to borrowers in moderate-income geographies with 3% of the market share. CNB ranked sixth in home improvement loans to borrowers in moderate-income geographies with 6% of the market share. CNB ranked sixteenth in

refinances to borrowers in moderate-income geographies with 1% of the market share.

### **Consumer Lending**

CNB's geographic distribution of 1998 home equity loan originations in MSA 8680 is reasonable. Table 12 in Appendix B indicates 8% of the number and 10% of the amount of consumer loan originations are in moderate-income geographies which is reasonable in comparison to the geographic distribution of owner-occupied housing units.

### ***Small Business Loans***

CNB's geographic distribution of small business and small farm loan originations within the MSA portion of the AA also indicates reasonable penetration of the geographies. Table 13 in Appendix B details the distribution for both small business and small farm loan originations in 1997.

This AA does not include any low-income geographies. CNB ranked eleventh in business loan originations in moderate-income geographies in MSA 8680 with 1% of the market share. CNB ranked first in farm loan originations in moderate-income geographies with 100% of the market share.

### **Community Development Lending**

CNB did not originate any loans in MSA 8680 during the evaluation period that would qualify under the definition of "community development lending."

### **Innovative or Flexible Lending Practices**

The lending practices in this AA do not differ from those in the overall bank. Refer to the Lending Test for the overall bank for additional details.

### **INVESTMENT TEST**

During the evaluation period, CNB did not have any community development investments in this MSA.

## **SERVICE TEST**

As previously mentioned, CNB operates one of its 20 branches in MSA 8680. The office offers a full range of loan and deposit services. These products and services do not differ from those previously mentioned. Refer to the Service Test for the overall bank for additional details.

### **Community Development Services**

The community development services in the MSA do not differ from those previously mentioned. Refer to the Service Test for the overall bank for additional details.

# Appendix A

## Scope of Examination

The table below lists the scope of the examination. Specifically, it lists the lending products reviewed, CNB's branches visited, and the time period covered in the review.

<b>Scope of Examination</b>			
<b>Time Period Reviewed</b>	September 24, 1996 through November 30, 1998		
<b>Financial institution</b>  Central National Bank, Canajoharie, New York	<b>Products Reviewed</b>  We reviewed 1997 and 1998 originations for Real Estate Loans reported on Home Mortgage Disclosure Act-Loan Activity Register, and 1997 and 1998 originations reported for business and farm loans. Additionally, CNB elected to collect Home Equity Loan information in 1998.		
<b>List of Assessment Areas and Type of Examination</b>			
<b>Assessment Areas</b>	<b>Type of Exam</b>	<b>Branches Visited</b>	<b>Other Information</b>
1. Montgomery, Schenectady, Schoharie Counties - MSA 0160 2. Herkimer County - MSA 8680 3. Fulton and Otsego Counties, NY	On-site	Main Office	See "Description of Assessment Area"

# Appendix B

Table 1

Originations within the AA												
Loan type	1/1/1998 through 11/7/1998						1/1/1997 through 12/31/1997					
	Originations within the AA				Total Originations		Originations within the AA				Total Originations	
	Count	%	Amount	%	Count	Amount	Count	%	Amount	%	Count	Amount
Home Purchase	122	22%	\$5,315	40%	555	\$13,445	138	32%	\$6,754	44%	436	\$15,435
Home Improvement	101	83%	\$918	82%	122	\$1,123	169	88%	\$2,197	81%	193	\$2,710
Refinance	129	56%	\$7,725	72%	229	\$10,696	74	60%	\$3,539	71%	124	\$4,961
Small business	118	78%	\$7,790	47%	151	\$16,614	146	83%	\$4,396	72%	175	\$6,105
Small Farm	111	53%	\$4,351	53%	197	\$8,232	168	54%	\$4,537	43%	313	\$10,634
Home Equity	89	90%	\$3,213	87%	99	\$3,692	-----	-----	-----	-----	-----	-----
<b>TOTALS</b>	<b>670</b>	<b>50%</b>	<b>\$29,312</b>	<b>54%</b>	<b>1,353</b>	<b>\$53,802</b>	<b>695</b>	<b>56%</b>	<b>\$21,423</b>	<b>54%</b>	<b>1,241</b>	<b>\$39,845</b>

Table 2

Borrower Distribution - entire AA																					
Loan type		Originations between 1/1/1998 and 11/7/1998										Originations between 1/1/1997 and 12/31/1997									
		Borrower Income Level																			
		Low		Moderate		Middle		Upper		N/A		Low		Moderate		Middle		Upper		N/A	
Home Purchase	Count	11	9%	22	18%	30	25%	28	28%	31	25%	9	7%	41	30%	46	33%	40	29%	2	1%
	Amount	\$292	6%	\$903	17%	\$1,765	33%	\$1,825	34%	\$530	10%	\$247	4%	\$1,316	19%	\$2,249	33%	\$2,891	43%	\$51	1%
Home Improvement	Count	21	21%	27	26%	25	25%	25	25%	3	3%	36	21%	46	27%	51	30%	31	19%	5	3%
	Amount	\$120	13%	\$254	28%	\$258	28%	\$249	27%	\$37	4%	\$259	12%	\$440	20%	\$749	34%	\$700	32%	\$49	2%
Refinance	Count	5	4%	21	16%	51	40%	49	38%	3	2%	7	9%	14	19%	25	34%	28	38%	0	0%
	Amount	\$75	1%	\$981	13%	\$2,692	35%	\$3,816	49%	\$161	2%	\$137	4%	\$558	16%	\$1,107	31%	\$1,737	49%	\$0	0%
Home Equity Loan	Count	11	12%	15	17%	24	27%	37	42%	2	2%										
	Amount	\$307	10%	\$501	16%	\$768	24%	\$1,587	49%	\$50	1%										
Family Income Distribution		21%		21%		26%		32%				21%		21%		26%		32%			

Table 3

Loan Size and Revenue Distribution - entire AA																	
Loan type		Originations between 1/1/1998 and 11/7/1998								Originations between 1/1/1997 and 12/31/1997							
		Loan Size						Revenue Level		Loan Size						Revenue Level	
		<\$100M		\$100M-\$250M		\$250M>		≤\$1Million		<\$100M		\$100M-\$250M		\$250M>		≤\$1Million	
Small Business	Count	104	88%	9	8%	5	4%	114	97%	142	98%	2	1%	2	1%	142	98%
	Amount	\$3,306	42%	\$1,432	19%	\$3,052	39%	\$7,697	99%	\$3,303	75%	\$380	9%	\$713	16%	\$4,330	99%
Revenue Distribution of Businesses								91%								91%	
Small Farm	Count	99	89%	9	8%	3	3%	105	96%	160	95%	8	5%	0	0	167	99%
	Amount	\$2,167	50%	\$1,284	29%	\$900	21%	\$3,794	87%	\$3,487	77%	\$1,050	23%	\$0	0%	\$4,513	99%
Revenue Distribution of Farms								99%								99%	

Table 4

Geographic Distribution - entire AA																	
Loan type		Originations between 1/1/1998 and 11/7/1998								Originations between 1/1/1997 and 12/31/1997							
		<i>Income Level of Geography</i>															
		Low		Moderate		Middle		Upper		Low		Moderate		Middle		Upper	
Home Purchase	Count	0	0%	38	31%	82	67%	2	2%	1	1%	54	39%	82	59%	1	1%
	Amount	\$0	0%	\$1,477	28%	\$3,608	68%	\$230	4%	\$20	<1%	\$2,483	37%	\$4,171	62%	\$80	1%
Home Improvement	Count	0	0%	51	50%	50	50%	0	0%	0	0%	78	46%	91	54%	0	0%
	Amount	\$0	0%	\$343	37%	\$575	63%	\$0	0%	\$0	0%	\$1,077	49%	\$1,120	51%	\$0	0%
Refinance	Count	0	0%	47	37%	79	61%	3	2%	0	0%	27	36%	47	64%	0	0%
	Amount	\$0	0%	\$2,626	34%	\$4,871	63%	\$228	3%	\$0	0%	\$1,290	36%	\$2,249	64%	\$0	0%
Home Equity Loan	Count	0	0%	38	43%	51	57%	0	0%								
	Amount	\$0	0%	\$1,426	44%	\$1,787	56%	\$0	0%								
Geographic Distribution of owner occupied housing units		1%		22%		68%		9%		1%		22%		68%		9%	

Table 5

<b>Geographic Distribution - entire AA</b>																	
<b>Loan type</b>		Originations between 1/1/1998 and 11/7/1998								Originations between 1/1/1997 and 12/31/1997							
		<i>Income Level of Geography</i>															
		<b>Low</b>		<b>Moderate</b>		<b>Middle</b>		<b>Upper</b>		<b>Low</b>		<b>Moderate</b>		<b>Middle</b>		<b>Upper</b>	
Small Business	Count	0	0%	59	50%	59	50%	0	0%	0	0%	79	54%	67	46%	0	0%
	Amount	\$0	0%	\$2,212	28%	\$5,578	72%	\$0	0%	\$0	0%	\$2,226	51%	\$2,170	49%	\$0	0%
Geographic Distribution of small businesses		1%		28%		63%		8%		1%		28%		63%		8%	
Small Farm	Count	0	0%	64	58%	47	42%	0	0%	0	0%	96	57%	72	43%	0	0%
	Amount	\$0	0%	\$2,065	47%	\$2,286	53%	\$0	0%	\$0	0%	\$2,541	56%	\$1,996	44%	\$0	0%
Geographic Distribution of small farms		0%		22%		70%		8%		0%		22%		70%		8%	

Table 6

<b>Borrower Distribution - MSA 0160</b>																					
<b>Loan type</b>		Originations between 1/1/1998 and 11/7/1998										Originations between 1/1/1997 and 12/31/1997									
		<i>Borrower Income Level</i>																			
		<b>Low</b>		<b>Moderate</b>		<b>Middle</b>		<b>Upper</b>		<b>N/A</b>		<b>Low</b>		<b>Moderate</b>		<b>Middle</b>		<b>Upper</b>		<b>N/A</b>	
Home Purchase	Count	10	19%	9	17%	13	25%	14	27%	6	12%	6	9%	20	30%	26	38%	15	22%	1	1%
	Amount	\$265	10%	\$415	16%	\$888	33%	\$994	38%	\$75	3%	\$159	5%	\$723	22%	\$1,348	42%	\$1,001	31%	\$8	0%
Home Improvement	Count	13	23%	16	28%	14	25%	11	19%	3	5%	31	30%	29	28%	24	23%	17	17%	2	2%
	Amount	\$89	18%	\$106	22%	\$121	25%	\$140	28%	\$37	7%	\$198	14%	\$267	19%	\$443	32%	\$455	33%	\$27	2%
Refinance	Count	5	8%	14	21%	30	45%	15	23%	2	3%	6	19%	9	29%	7	23%	9	29%	0	0%
	Amount	\$75	2%	\$716	18%	\$1,714	44%	\$1,398	35%	\$26	1%	\$98	6%	\$402	26%	\$378	24%	\$698	44%	\$0	0%
Home Equity Loan	Count	11	22%	9	18%	15	31%	13	27%	1	2%										
	Amount	\$307	17%	\$241	13%	\$544	30%	\$718	39%	\$20	1%										
Family Income Distribution		21%		21%		26%		32%				21%		21%		26%		32%			

Table 7

<b>Loan Size and Revenue Distribution - MSA 0160</b>																	
<b>Loan type</b>		Originations between 1/1/1998 and 11/7/1998								Originations between 1/1/1997 and 12/31/1997							
		<i>Loan Size</i>						<i>Revenue Level</i>		<i>Loan Size</i>						<i>Revenue Level</i>	
		<\$100M		\$100M-\$250M		\$250M.>		≤\$1Million		<\$100M		\$100M-\$250M		\$250M.>		≤\$1Million	
Small Business	Count	69	96%	3	4%	0	0%	70	97%	96	98%	1	1%	1	1%	95	97%
	Amount	\$2,169	82%	\$465	18%	\$0	0%	\$2,618	99%	\$2,129	78%	\$250	9%	\$363	13%	\$2,686	98%
Revenue Distribution of Businesses								91%								91%	
Small Farm	Count	59	91%	6	9%	0	0%	60	92%	101	97%	3	3%	0	0%	103	99%
	Amount	\$1,185	57%	\$897	43%	\$0	0%	\$1,672	80%	\$2,214	83%	\$444	17%	\$0	0%	\$2,658	99%
Revenue Distribution of Farms								99%								99%	

Table 8

<b>Geographic Distribution - MSA 0160</b>																	
<b>Loan type</b>		Originations between 1/1/1998 and 11/7/1998								Originations between 1/1/1997 and 12/31/1997							
		<i>Income Level of Geography</i>															
		<b>Low</b>		<b>Moderate</b>		<b>Middle</b>		<b>Upper</b>		<b>Low</b>		<b>Moderate</b>		<b>Middle</b>		<b>Upper</b>	
Home Purchase	Count	0	0%	36	69%	14	27%	2	4%	1	1%	50	74%	16	24%	1	1%
	Amount	\$0	0%	\$1,452	55%	\$955	36%	\$230	9%	\$20	1%	\$2,389	74%	\$750	23%	\$80	2%
Home Improvement	Count	0	0%	49	86%	8	14%	0	0%	0	0%	74	72%	29	28%	0	0%
	Amount	\$0	0%	\$336	68%	\$157	32%	\$0	0%	\$0	0%	\$975	70%	\$415	30%	\$0	0%
Refinance	Count	0	0%	47	71%	16	24%	3	5%	0	0%	23	74%	8	26%	0	0%
	Amount	\$0	0%	\$2,626	67%	\$1,075	27%	\$228	6%	\$0	0%	\$1,132	72%	\$444	28%	\$0	0%
Home Equity Loan	Count	0	0%	35	71%	14	29%	0	0%								
	Amount	\$0	0%	\$1,305	71%	\$525	29%	\$0	0%								
Geographic Distribution of owner occupied housing units		1%		33%		50%		16%		1%		33%		50%		16%	

Table 9

<b>Geographic Distribution - MSA 0160</b>																	
<b>Loan type</b>		Originations between 1/1/1998 and 11/7/1998								Originations between 1/1/1997 and 12/31/1997							
		<i>Income Level of Geography</i>															
		<b>Low</b>		<b>Moderate</b>		<b>Middle</b>		<b>Upper</b>		<b>Low</b>		<b>Moderate</b>		<b>Middle</b>		<b>Upper</b>	
Small Business	Count	0	0%	56	78%	16	22%	0	0%	0	0%	76	78%	22	22%	0	0%
	Amount	\$0	0%	\$1,858	71%	\$776	29%	\$0	0%	\$0	0%	\$2,187	80%	\$555	20%	\$0	0%
Geographic Distribution of small businesses		2%		37%		48%		13%		2%		37%		48%		13%	
Small Farm	Count	0	0%	63	97%	2	3%	0	0%	0	0%	94	90%	10	10%	0	0%
	Amount	\$0	0%	\$2,062	99%	\$20	1%	\$0	0%	\$0	0%	\$2,454	92%	\$204	8%	\$0	0%
Geographic Distribution of small farms		0%		34%		52%		14%		0%		34%		52%		14%	

Table 10

Borrower Distribution - MSA 8680																					
Loan type		Originations between 1/1/1998 and 11/7/1998										Originations between 1/1/1997 and 12/31/1997									
		Borrower Income Level																			
		Low		Moderate		Middle		Upper		N/A		Low		Moderate		Middle		Upper		N/A	
Home Purchase	Count	1	4%	5	18%	7	25%	4	14%	11	39%	1	3%	11	34%	9	28%	11	34%	0	0%
	Amount	\$27	4%	\$183	25%	\$272	37%	\$99	14%	\$150	20%	\$35	3%	\$354	26%	\$400	29%	\$576	42%	\$0	0%
Home Improvement	Count	2	15%	2	15%	5	39%	4	31%	0	0%	1	6%	5	28%	9	50%	3	16%	0	0%
	Amount	\$6	3%	\$52	28%	\$111	59%	\$19	10%	\$0	0%	\$3	1%	\$48	20%	\$159	67%	\$27	12%	\$0	0%
Refinance	Count	0	0%	4	34%	4	33%	4	33%	0	0%	0	0%	1	11%	5	56%	3	33%	0	0%
	Amount	\$0	0%	\$122	17%	\$258	37%	\$321	46%	\$0	0%	\$0	0%	\$25	17%	\$143	40%	\$187	53%	\$0	0%
Home Equity Loan	Count	0	0%	3	25%	4	33%	5	42%	0	0%										
	Amount	\$0	0%	\$139	36%	\$98	25%	\$154	39%	\$0	0%										
Family Income Distribution		21%		21%		26%		32%				21%		21%		26%		32%			

Table 11

<b>Loan Size and Revenue Distribution - MSA 8680</b>																	
<b>Loan type</b>		Originations between 1/1/1998 and 11/7/1998								Originations between 1/1/1997 and 12/31/1997							
		<i>Loan Size</i>						<i>Revenue Level</i>		<i>Loan Size</i>						<i>Revenue Level</i>	
		<\$100M		\$100M-\$250M		\$250M>		≤\$1Million		<\$100M		\$100M-\$250M		\$250M>		≤\$1Million	
Small Business	Count	6	86%	1	14%	0	0%	6	86%	5	100%	0	0%	0	0%	5	100%
	Amount	\$281	62%	\$175	38%	\$0	0%	\$419	92%	\$118	100%	\$0	0%	\$0	0%	\$118	100%
Revenue Distribution of Businesses								93%								93%	
Small Farm	Count	17	85%	3	15%	0	0%	19	95%	27	87%	4	13%	0	0%	31	100%
	Amount	\$520	57%	\$387	43%	\$0	0%	\$760	84%	\$701	59%	\$496	41%	\$0	0%	\$1,197	100%
Revenue Distribution of Farms								100%								100%	

Table 12

Geographic Distribution - MSA 8680																	
Loan type		Originations between 1/1/1998 and 11/7/1998								Originations between 1/1/1997 and 12/31/1997							
		<i>Income Level of Geography</i>															
		Low		Moderate		Middle		Upper		Low		Moderate		Middle		Upper	
Home Purchase	Count	0	0%	2	7%	26	93%	0	0%	0	0%	3	9%	29	91%	0	0%
	Amount	\$0	0%	\$25	3%	\$706	97%	\$0	0%	\$0	0%	\$67	5%	\$1,298	95%	\$0	0%
Home Improvement	Count	0	0%	1	8%	12	92%	0	0%	0	0%	2	11%	16	89%	0	0%
	Amount	\$0	0%	\$4	2%	\$184	98%	\$0	0%	\$0	0%	\$63	27%	\$174	73%	\$0	0%
Refinance	Count	0	0%	0	0%	12	100%	0	0%	0	0%	1	11%	8	89%	0	0%
	Amount	\$0	0%	\$0	0%	\$701	100%	\$0	0%	\$0	0%	\$35	10%	\$320	90%	\$0	0%
Home Equity Loan	Count	0	0%	1	8%	11	92%	0	0%								
	Amount	\$0	0%	\$40	10%	\$351	90%	\$0	0%								
Geographic Distribution of owner occupied housing units		0%		14%		86%		0%		0%		14%		86%		0%	

Table 13

<b>Geographic Distribution - MSA 8680</b>																	
<b>Loan type</b>		Originations between 1/1/1998 and 11/7/1998								Originations between 1/1/1997 and 12/31/1997							
		<i>Income Level of Geography</i>															
		<b>Low</b>		<b>Moderate</b>		<b>Middle</b>		<b>Upper</b>		<b>Low</b>		<b>Moderate</b>		<b>Middle</b>		<b>Upper</b>	
Small Business	Count	0	0%	0	0%	7	100%	0	0%	0	0%	1	20%	4	80%	0	0%
	Amount	\$0	0%	\$0	0%	\$456	100%	\$0	0%	\$0	0%	\$15	13%	\$103	87%	\$0	0%
Geographic Distribution of small businesses		0%		29%		71%		0%		0%		29%		71%		0%	
Small Farm	Count	0	0%	1	5%	19	95%	0	0%	0	0%	1	3%	30	97%	0	0%
	Amount	\$0	0%	\$3	<1%	\$904	>99%	\$0	0%	\$0	0%	\$57	5%	\$1,140	95%	\$0	0%
Geographic Distribution of small farms		0%		12%		88%		0%		0%		12%		88%		0%	

Table 14

<b>Branches in Comparison to Total AA</b>						
Income Level of Geography	# of Branches	% of Branches	# of ATM's	% of ATM's	# of Geographies	% of Geographies
Low	0	0	0	0	2	2%
Moderate	7	35%	3	23%	36	31%
Middle	13	65%	10	77%	66	58%
Upper	0	0	0	0	8	7%
N/A	0	0	0	0	2	2%
<b>Total</b>	<b>20</b>	<b>100%</b>	<b>13</b>	<b>100%</b>	<b>114</b>	<b>100%</b>

  

<b>Branches in Comparison to Albany MSA 0160</b>						
Income Level of Geography	# of Branches	% of Branches	# of ATM's	% of ATM's	# of Geographies	% of Geographies
Low	0	0	0	0	2	3%
Moderate	7	54%	3	33%	28	44%
Middle	6	46%	6	67%	26	41%
Upper	0	0	0	0	6	9%
N/A	0	0	0	0	2	3%
<b>Total</b>	<b>13</b>	<b>100%</b>	<b>9</b>	<b>100%</b>	<b>64</b>	<b>100%</b>

Table 14 (Continued)

<b>Branches in Comparison to Utica-Rome MSA 8680</b>						
Income Level of Geography	# of Branches	% of Branches	# of ATM's	% of ATM's	# of Geographies	% of Geographies
Low	0	0	0	0	0	0%
Moderate	0	0	0	0	5	26%
Middle	1	100%	0	0	14	74%
Upper	0	0	0	0	0	0%
N/A	0	0	0	0	0	0%
<b>Total</b>	<b>1</b>	<b>100%</b>	<b>0</b>	<b>0</b>	<b>19</b>	<b>100%</b>