



Comptroller of the Currency
Administrator of National Banks

LARGE BANK

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Community Reinvestment Act Performance Evaluation

**The National Bank of Geneva
Charter Number: 12450**

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NOTE: 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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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 The National Bank of Geneva (NBG) prepared by the **Office of the Comptroller of the Currency (OCC)**, the institution's supervisory agency, as of April 10, 2000. 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 CFR Part 25.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this Performance Evaluation. 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 by another company. A company is under common control with another company if both companies are directly or indirectly controlled by the same company. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Block Numbering Area (BNA) - Statistical subdivisions of counties in which census tracts have not been established. BNAs have been established by the United States Census Bureau in conjunction with state agencies.

Census Tract (CT) - Small, locally defined statistical areas within metropolitan statistical areas. These areas are determined by the United States Census Bureau in an attempt to group homogenous populations. A CT has defined boundaries per ten-year census and an average population of 4,000.

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

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

Full-Scope Review - Performance under the Lending, Investment and Service Tests is analyzed considering fully understood performance context, quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, branch distribution) and qualitative factors (e.g., innovation, complexity).

Geography - A census tract or a block numbering area delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA) - The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, withdrawn).

Home Mortgage Loans - Such loans include home purchase and home improvement loans, as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwellings loans, loans for the purchase of manufactured homes and refinancing of home improvement and home purchase loans.

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, branch distribution).

Low-Income - Income levels that are less than 50% of the median family income.

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

Metropolitan Statistical Area (MSA) - Area defined by the Director of the United States Office of Management and Budget. MSAs consist of one or more counties, including large population centers and nearby communities that have a high degree of interaction.

Middle-Income - Income levels that are at least 80% and less than 120% of the MFI.

Moderate-Income - Income levels that are at least 50% and less than 80% of the MFI.

Small Business Loans - Loans with original amounts of \$1 million or less that are: (1) secured by nonfarm nonresidential properties; or (2) commercial and industrial loans to U.S. addresses.

Small Farm Loans - Loans with original amounts of \$500 thousand or less that are: (1) secured by farmland; or (2) to finance agricultural production and other loans to farmers.

Tier 1 Capital - The total of common shareholders' equity, perpetual preferred shareholders' equity with noncumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

Upper-Income - Income levels that are 120% or more of the MFI.

Overall CRA Rating

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

Performance Levels	(Name of Depository Institution) Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X		X
High Satisfactory			
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			

* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.

The major factors that support this rating include:

- y Lending levels that reflect an excellent responsiveness by NBG to the credit needs of its assessment areas.
- y Good distribution of NBG's loans among geographies and among borrowers of different income levels throughout its assessment areas.
- y Excellent community development lending and flexible lending practices that had a positive impact on the bank's lending performance in its assessment areas.
- y Investments that represent an adequate responsiveness by NBG to the needs of its assessment areas based on the limited opportunities available in the areas.
- y NBG's service delivery systems are readily accessible to geographies and individuals of different income levels in its assessment area.
- y Excellent community development services that are responsive to the needs in the assessment areas.
- y Excellent performance in providing community development services.

Description of Institution

The National Bank of Geneva (NBG) is a subsidiary of Financial Institutions Inc. (FII), a \$1.1 billion bank holding company located in Warsaw, New York. FII operates four community banks, all of which operate in the western portion of New York State. NBG is a full service bank with five full service offices and one free standing drive-up facility. NBG's main office is located in Geneva New York. The bank offers a full range of commercial and consumer banking products, and investment products. In 1999, the bank added a Trust Department, and now offers Trust services along with investment services.

NBG is an intrastate bank with all of its offices located in the Finger Lakes Region of New York State. The City of Geneva, where the main office is located, is situated midway between the larger cities of Rochester and Syracuse. NBG received a Satisfactory rating at its last CRA exam, dated January 5, 1998.

NBG's total assets were \$417.3 million as of December 31, 1999. Net loans represented 69% of total assets. The bank's total assets grew by 12% and net loans grew by 19% over 1998. The loan portfolio is comprised of 42% real estate loans, 25% commercial loans, 16% loans to individuals, 16% agricultural loans, and 1% other loans. All of the loan categories experienced growth in 1999, with real estate loans growing by the largest amount at 24% growth over 1998. The bank's tier one capital was \$36.5 million, 13% greater than 1998.

NBG operates in a very competitive financial services market, receiving strong competition from regional and community banks, mortgage companies and credit unions. The bank is not subject to any known financial, legal or regulatory restrictions that would impede its ability to meet the credit needs of the community. NBG has no operating subsidiaries.

NBG was ranked the number one small business lender in New York State as of June 1999 according to a study conducted by the U.S. Small Business Administration Office of Advocacy. NBG earned a similar award for its small farm lending as of June 1998. The bank received the highest possible ranking in the four categories that were evaluated in the Office of Advocacy's small farm lending study.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The evaluation period covered January 1, 1998 through December 31, 1999 for HMDA, small business and small farm loans. HMDA loans include home purchase, home improvement and refinance loans. The evaluation period for CD loans, investments, and services is January 5, 1998 through April 10, 2000. This represents the time period between the start of the bank's last and current CRA exams. The market share and peer comparisons are based on the information contained in the aggregate Home Mortgage Disclosure Act (HMDA) and Small Business/Farm Registers for 1998. The aggregate HMDA and Small Business/Farm Reports are available for public review. The 1999 information will not be available until midyear 2000.

The peer comparisons in this report include only lenders who were required to file HMDA and Small Business/Farm Reports for 1998. Any lender with significant mortgage loan activity operating in NBG's two assessment areas (AAs) would be required to file a HMDA report for 1998. Small business reporting is required only of bank and thrift institutions with assets of \$250 million or more as of December 31 of the prior two calendar years preceding the reporting year, or an affiliate of a holding company with \$1 billion or more in assets for the same time period.

Data Integrity

We performed a data integrity exam of the loan information indicated above. We used a statistical sampling method with 95% reliability and 10% precision. The exam revealed the need to make some adjustments to the loan data, namely the removal of 20 small business loans from the 1998 data that should not have been reported. The dollars associated with these loans remained unchanged, as the error involved the reporting of the guaranteed portion of certain loans separately from the non guaranteed portion.

Selection of Areas for Full-Scope Review

Both of the bank's assessment areas (AA) were selected for review. Each AA represents approximately 50% of the loans made during the examination period.

Ratings

NBG's rating is based on the full scope review of the bank's two AAs. The weighting for each AA varied by product. The overall loan activity was nearly equal between AAs. However, Seneca/Yates Counties had far greater farm loan activity than Ontario County, while Ontario County had significantly higher small business loan activity than Seneca/Yates. HMDA lending by product was nearly equal for both AAs. Ontario County was given more weight under geographic distribution, since all of the bank's moderate-income geographies are located in this AA.

Other

The primary credit needs of the area are affordable housing loans, small business loans, and small farm loans, auto loans and education loans. Two community contacts were made during the examination. The contacts were made with local government representatives who are involved with affordable housing and economic development.

Fair Lending Review

The fair lending examination that was performed concurrently with the CRA examination consisted of a review of the loan terms given to home improvement loan recipients during 1999. The examination specifically tested for differences in the loan terms given to single males and single females. Forty-seven files were reviewed. No violations of the substantive provisions of the antidiscrimination laws or regulations were identified.

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Lending Test is rated "Outstanding" Its performance in both assessment areas (AA's) is excellent. NBG's HMDA, small business and small farm lending in both AA's were good. Its CD lending in both AAs was excellent and had a positive impact on the bank's Lending Test rating.

Lending Activity

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

NBG had excellent lending activity in both AAs. Small business loans were the dominant loan product in the Ontario County AA, representing 54% of overall loan volume. This was followed by HMDA loans representing 28% of loans and small farms 18% of loans. The distribution of loans in the Seneca/Yates Counties AA was somewhat different with small farm loans being the dominant loan type at 41%. Small business loans followed at 33%, while HMDA loans represented 26% of loans, similar to Ontario County. Refinance loans represented half of the HMDA loan activity in each area, followed by home purchase loans (34%) and home improvement loans for the remainder.

NBG ranked number one in market share in both AAs for small business and small farm loans. It ranked number two in market share for deposits in each AA. Its market share of small business loans was 33.60% in Ontario County and 46.70% in Seneca/Yates Counties, compared to deposit market shares of 22.37% in Ontario and 23.97% in Seneca/Yates.

It also had very a strong rating for refinance loans, ranking number one in the Seneca/ Yates County AA and number two in the Ontario County AA with market shares of 18% and 6.3% respectively. A large regional bank in Ontario County outranked NBG.

NBG ranked reasonably high for home purchase (12.50%) and home improvement (13%) market share in the Seneca/Yates County AA, with a number two and three market ranking respectively. In home purchase lending, NBG was outranked by a large mortgage company. Two large regional banks outranked the bank in home improvement lending. NBG's rankings in the Ontario County AA were significantly lower, ranking number six for home purchase loans with a 4.3% share of the market. The five lenders who had higher market shares than the bank consisted of four mortgage companies and the local savings bank. The bank ranked seventh for market share of home improvement loans in Ontario County with a 5.8% share of the market, outranked by a national home improvement financing company, other local banks and credit unions.

Distribution of Loans by Income Level of the Geography

The geographic distribution of NBG's home mortgage loans and small loans to businesses and farms reflects good penetration in Ontario County. We placed our emphasis on the geographic distribution within Ontario County, since all of the bank's moderate-income geographies are located in this AA. No analysis was done in Seneca/Yates Counties because it was not considered meaningful. There are no low-income geographies in the bank's AAs.

Home Mortgage Loans

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

The bank's geographic distribution of home purchase loans is excellent. In Ontario County, the portion of the bank's loans in moderate-income geographies exceeded the percentage of owner occupied housing located in these areas. Its market share in the moderate-income geographies also significantly exceeded its overall market share for the area.

The geographic distribution of home improvement loans is good. In Ontario County, the bank's portion of loans made in moderate-income geographies exceeded the percentage of owner occupied housing located in these areas. Its market share in moderate-income geographies was below its overall market share.

The geographic distribution of refinance loans is good. In Ontario County, NBG's portion of loans made in moderate-income geographies was near to the percentage of owner occupied housing located in these areas. Its market share in the moderate-income geographies was also near to its overall market share for the area.

Small Loans to Businesses

Refer to Table 5 in Appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The geographic distribution of small business loans is good. NBG's portion of loans originated in moderate-income geographies was near to the percentage of businesses located in these geographies. Its market share in the moderate-income geographies significantly exceeded its overall market share.

Small Loans to Farms

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

The geographic distribution of small farm loans is adequate when considering the limited number of farms located in moderate-income geographies, in Ontario County. Only 9% (32) farms are located in moderate-income geographies. NBG originated only one farm loan in moderate-income geographies.

Thirty-one of the 32 farms in the moderate-income geographies are classified as small. There was only one other lender who made farm loans in the area in 1998. That lender made 11 loans. Seventy-two percent of the farms in the AA are located in the Naples geography, which is located on the outermost portion of the bank's AA, about 20 miles from the nearest bank office. The other lender has an office located in the town of Naples.

In Ontario County, NBG's market share in moderate-income geographies was significantly less than its overall market share. The bank's one farm loan represents less than .05% of its small farm loans in moderate-income geographies, compared to 9% of the area farms located in these geographies. It originated nearly 100% of its loans in middle income-geographies compared to the 81% of the farms located in these areas.

Lending Gap Analysis

We did not identify any conspicuous gaps in the geographic distribution of HMDA, small business or small farm loans.

Inside/Outside Ratio

A high percentage of the bank's loans are made in the two AAs. HMDA loans originated in the AAs represent 90% of the number and 88% of the dollars of all HMDA loans made by NBG during the evaluation period. The individual HMDA products were all within 3% points of these ratios. The bank made 89% of its small business loans, both number and dollar in the AAs. It made 83% of the number and 81% of the dollar amount of its small farm loans in its AAs.

Unlike the other analyses performed in this report, this analysis is performed at the bank level, not by each AA. This enables us to show the percentage of loans that are included in any of the bank's AAs. The bank's excellent ratio of loans made in its AA allows us to place a high degree of reliance on the geographic distribution analysis, since a substantial majority of the bank's loans are included in the analysis.

Distribution of Loans by Income Level of the Borrower

Home Mortgage Loans

Refer to Tables 7, 8 and 9 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The overall borrower distribution of home mortgage loans is good in both AAs.

Home purchase loan borrower distribution is excellent. In the Ontario County AA, the portion of loans to moderate-income borrowers significantly exceeded the percentage of families that were of moderate-income. Its percentage of loans to low-income borrowers was near to the percentage of families with low-income. In the Seneca/Yates County AA, the portion of loans to moderate-income borrowers also significantly exceeded the percentage of families that were of moderate-income. Its performance with low-income borrowers was good, when considering the market dynamics for the area, as discussed below:

It is difficult for a low-income person to purchase a home in Seneca/Yates Counties. Of the 18% low-income families in the area, 10.44% of the families were below the poverty level according to census data. The median housing cost according to the census was \$57,562. In 1999, a low-income family in this AA made less than \$19,650 per year. A person in this income bracket could afford a home payment of \$459 per month using normal industry guidelines. A market rate loan for the median housing price with a 30-year term would require a \$422 monthly payment for just principal and interest. When you factor in taxes and insurance, the monthly cost is well over the \$459 per month payment a low-income person could afford.

The peer data supported this conclusion. There were only 25 mortgage loans made to low-income borrowers in 1998, with NBG making five of those loans for a number two market ranking. The number one lender in the market, a large mortgage company, originated only 4% of

its loans to low-income borrowers, significantly less than NBG's 7%.

NBG's market share percentages for home purchase loans were excellent for both AAs with both low and moderate-income borrowers. All market shares were significantly higher with low-and moderate-income borrowers compared to the bank's overall market share.

Home improvement loan borrower distribution is good. In the Ontario County AA, the loan distribution to both low and moderate-income borrowers significantly exceeded the percentage of low and moderate-income borrowers. In the Seneca/Yates Counties AA, the bank's percentage of loans to moderate-income borrowers very significantly exceeded the percentage of families with moderate-income. The percentage of loans to low-income borrowers was adequate in this AA, considering the home affordability conditions for low-income individuals discussed earlier. NBG's market share percentages in Ontario County for both low and moderate-income exceeded its overall market share percentages, and in Seneca/Yates County for moderate-income borrowers only. The market share percentages to low-income borrowers in Seneca/Yates Counties was below the bank's overall market share.

Refinance loan borrower distribution is good. In Ontario County, NBG's percentage of loans to moderate-income borrowers exceeded the percentage of moderate-income families. The distribution of loans to low-income borrowers was below the percentage of low-income families. However, the bank's portion of lending to low-income borrowers exceeded what the average was for lenders in this market. In Seneca/Yates County, the portion of refinance loans to moderate-income borrowers is near to the percentage of moderate-income families. The percentage of loans to low-income families is well below the percentage of low-income families. However, the affordability of homes in Seneca/Yates Counties would limit a lender's ability meet the demographics in this market. NBG was the number three lender to low-income borrowers in this AA in 1998. The top lender made only two more loans to low-income borrowers and the second place lender only one more loan to low-income borrowers to NBG. NBG's market share percentages in Ontario County and for moderate-income borrowers in Seneca/Yates Counties, all exceeding the bank's overall market share percentages. The market share for low-income borrowers in Seneca/Yates Counties is below the bank's overall market share.

Small Loans to Businesses

Refer to Table 10 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The borrower distribution of small loans to businesses is excellent in both AAs. In each AA, the portion of NBG's loans to small businesses well exceeds the percentage of businesses. The bank's market share of loans to small businesses is well above its overall market share of small business loans. A substantial majority of the bank's loans were for \$100,000 or less in both AAs.

Small Loans to Farms

Refer to Table 11 in the Appendix C for the facts and data used to evaluate the borrower

distribution of the bank's origination/purchase of small loans to businesses.

The borrower distribution of small loans to small farms is good. In Seneca/Yates Counties, NBG's percentage of loans to small farms was near to the percentage of small farms. In Ontario County, the bank's loans were also near the percentage of small farms. Its market share of loans to small farms was slightly above its overall share of small farm loans in both AAs. A substantial majority of the bank's loans were for \$100,000 or less in both AAs.

Community Development Lending

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

NBG's community development lending had a positive impact on its performance in both AAs.

NBG provided \$7.7 million in financing to a business that meets the small business size eligibility requirements of the Small Business Administrations (SBA) programs for Small Business Development Companies and Small Business Investment Companies. The funding was used to construct a new restaurant, Inn, and banquet center in Yates County. The opening of the Inn created 60 new jobs for low to moderate-income people. The bank also provided the business a \$400 thousand line of credit that was reported on the bank's small business register.

The bank made a \$4.2 million mortgage loan as part of a financial arrangement to retain a manufacturing business in Seneca County. NBG extended over \$1 million in additional credit that was reported on the bank's small business register. The loss of the business would have meant the loss of 70 jobs, many of which pay wages at the low or moderate-income level. The financing arrangement, which was done in partnership with the U.S. Department of Agriculture's Rural Economic and Community Development Agency, enabled the company to expand into a new hi-tech 35,000 square foot facility. In addition to the 70 jobs retained, another 45 jobs are expected to be created over the first three years of operation of the new facility. A substantial majority of these jobs will be available to low and moderate-income people. The business is considered a small business per the size Small Business Administration's (SBA) size eligibility requirements for Small Business Development Companies and Small Business Investment Companies.

NBG made a \$2.9 million dollar loan to a real estate development corporation to build a budget motel in Seneca County. The corporation is a small business with gross annual revenues of under \$1 million dollars. The motel created approximately 30 new jobs for people with low or moderate-income.

The County desperately needed a motel, but had not been successful in attracting one to the area. Tourism has increased recently due to the attention focused on Seneca Falls. NBG located a developer and sold the parcel of land the hotel is located on to the developer. They financed the construction of the hotel as well as providing the permanent mortgage. Bank management completed a Community Development Block Grant application for the County. The grant was approved by HUD, and enabled the County to provide a \$165 thousand low interest loan for the motel. NBG provided bridge financing until the community development funds were received.

NBG provided construction financing and a permanent mortgage for \$1.85 million to a limited liability corporation for a 66-unit senior citizen home. The home is located in Ontario County. The corporation is a small business with gross annual revenues of less than \$1 million. The senior home created 30 low or moderate-income level jobs.

Product Innovation and Flexibility

The bank's flexible products had a positive impact on the Lending Test conclusions for both AAs. NBG is involved in the City of Geneva Homeownership Assistance Program. The bank made 14 mortgages for \$524 thousand. The program was out of funds for a period of time during 1999, which reduced potential loan volume. The program provides financing to eligible borrowers for the purchase of homes in targeted neighborhoods, within the City of Geneva. The borrower must have low or moderate-income to qualify for the loan. The program requires a 1% down payment from the borrower, has closing costs that are significantly less than conventional loan closing costs, and has higher debt to income ratios than are allowed for conventional mortgage loans. The Program provides second mortgage loans for up to \$15,000 at 3% for 10-15 year terms. The second mortgages are used for down payments and closing costs. The repayment of the second mortgage is deferred for a period of 5 years.

In Ontario County, the bank is active in the City of Geneva Downtown Revitalization Loan Program (DRLP). NBG made six loans for \$129,300 during the examination period. The loans were all made to small businesses located in the downtown district, which is a moderate-income geography. Borrowers can obtain up to 90% financing for eligible projects. One half of the financing is provided by the City at 3%, while the other half is provided by bank financing at 1% below the prevailing prime rate at the time of loan closing. The loan proceeds must be used for façade improvements, interior improvements, or working capital and equipment to promote increased profitability and employment.

NBG participates in three affordable housing programs. The Bishop Sheen Grant Program in Ontario County and the Keuka Housing Council Grant Program in Yates County offer grant funds of up to \$25,000 to cover mortgage loan down payment requirements. Both programs are restricted to borrowers with low or moderate-income. NBG originated 2 loans for \$71 thousand in the Keuka Housing Program. There were no loans made in the Bishop Sheen Program during the evaluation period. The Guaranteed Rural Housing Loan Program allows the bank to provide up to 100% financing for new or existing home in rural areas. The Program's debt ratios are also more relaxed than conventional mortgage loan programs, allowing a debt ratio of 41% compared

to a conventional ratio of 36% with a debt ratio. NBG did not originate any loans under this program during the evaluation period.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Investment Test is rated "Low Satisfactory". NBG's performance in each AA was adequate based on the limited investment opportunities available in each area. NBG's primary investment was a low-income housing credit originated in a prior evaluation period. The current outstanding balance is \$556,286 down \$134,000 from the \$689,959 reported on the bank's last CRA Public Evaluation. The investment continues to have an important impact on the community, as it supported the construction of a 30 unit low-income housing complex located in downtown Geneva, in the Ontario County AA. Low-income housing continues to be an important community need. NBG also made \$3,200 in grants to several organizations in the Ontario AA. The organizations all provided community services to low and moderate-income community residents. In Seneca/Yates Counties, NBG made two grants for \$1,450. One of the grants supported affordable housing, and the other supported economic development through small business enterprises.

The bank's low level of current period investments was not viewed negatively due to the limited opportunities for qualified community development investments, in both AAs. There were no qualified investments issued by the two New York State Economic Development Zones located in the AAs during the examination period. The limited qualified investments in the area were determined through community contacts, internal resources at the OCC, and bank management.

Refer to Table 12 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated "Outstanding". NBG's performance in the Ontario AA is excellent. Its performance in the Seneca/Yates AA is also excellent.

Retail Banking Services

Refer to Table 13 in Appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

NBG's delivery systems are readily accessible to geographies and individuals of different income levels in both of the bank's AAs. Accessibility in Ontario County is excellent with 50% of the bank's branches in moderate-income areas compared to 10.61% of the population being located in such areas. Accessibility in Seneca/Yates Counties is also excellent even though there are no low or moderate-income geographies in the AA. All of the bank's offices are located in middle-income geographies compared to 95.45% of the population located in such areas. Ninety-six percent of the low and moderate-income families in Seneca/Yates Counties reside in the middle-income geographies. The offices in Seneca and Yates Counties are located in the larger townships that are most accessible to the residents of each county.

The bank opened one branch in Seneca County during the examination period. This branch served to expand the geographic presence of the bank, since the bank previously did not have an office in this County. The presence of the branch broadens the availability of financial services to residents of this County.

NBG's hours and services throughout the two AAs are good. Office hours and services in both AAs, including the availability of loan officers for all loan products, are comparable among locations, regardless of the income level of the geography. The office hours are tailored to meet the needs of the local residents. Banking services are available at each office until at least 5PM on any weekday. Banking hours and services provided on weekdays are supplemented by Saturday hours at one office in each of the cities or townships served by the bank. In the City of Geneva, management elected to keep Saturday hours at the Geneva Plaza Office, which is in a middle-income geography, instead of the two offices located in the moderate-income downtown area of Geneva. The residents of the moderate-income geography have convenient access to the Geneva Plaza Office. The office is located one-mile from the downtown area, and is easily accessible by public transportation from the downtown area. Management elected to have Saturday hours at the Plaza Office because it is located in a plaza that contains the major supermarkets and retail stores of the area. The plaza is the hub of community activity on Saturday, while the downtown area is much quieter.

NBG's ATM network offers an effective alternative delivery system for delivering retail banking services in the bank's moderate-income geographies and to low and moderate-income individuals. In Ontario County, 25% of the bank's ATMs are in moderate-income geographies, well in excess of the 10.61% of the population in these areas. In addition, the bank has eight ATM's located at nonbank locations. Three of the ATMs are located in supermarkets and one at a large discount mall, bringing the bank's services to establishments that are regularly visited by community residents.

NBG offers a basic banking account that requires no minimum balance to open or maintain the account. The account provides a low cost checking option for customers, including those with low or moderate-income. There is a flat \$3 monthly maintenance fee, which covers the first eight checks written. A \$.20 per check fee is charged for any checks in excess of eight. A customer is also entitled to unlimited ATM withdrawals. The bank also offers a totally free checking account to senior citizens 62 years of age or older.

Community Development Services

NBG's performance in providing CD services is excellent in both AAs. The bank is considered a leader in community development services due to the high level of participation by its senior level employees. The bank's president and other senior officers are active in **15** organizations that support economic development, affordable housing for low and moderate-income individuals and community services targeted to low and moderate-income individuals. These organizations are very responsive to the credit and service needs of the community. NBG's officers hold key leadership roles in many of these organizations. In some cases, officers are required to devote a significant amount of time to the community development activity.

A senior officer of the bank is a member of the loan committee of **two Regional Development Corporations**. Both corporations serve a six county area that includes Ontario and Seneca Counties. The loan funds provide low interest loans to businesses that have difficulty obtaining bank loans for business startup or expansion. A substantial majority of the businesses receiving loans are small businesses.

In Ontario County, employees are active in **three** organizations that support economic development by supporting small businesses that provide jobs for low and moderate-income people.

The bank's president is a loan committee member of a County sponsored- revolving loan fund and a City of Geneva loan fund. The funds provide low interest loans to new and existing businesses seeking to expand their businesses.

The president is also a committee member of Jobs for Geneva Inc., a committee of business leaders concerned with attracting employers to the New York State Economic Development Zone (EDZ) located in Geneva NY.

A bank senior officer is board member of the Geneva Business Improvement District. The committee provides support to the small businesses located in the downtown area, which is also a moderate-income geography.

In Seneca County, the bank's president is a member of the County's New York State EDZ Zone Board. The president was one of the founders of the board. Among other activities, he was responsible for bringing in the attorney who completed the necessary legal work to form the organization. The board is concerned with attracting and retaining businesses in the EDZ. The majority of the businesses the Board has worked with have been small businesses. Seneca County suffered a major loss of jobs during the early 1990s with the closure of a military base and large psychiatric hospital.

A bank senior officer played **a key leadership role in obtaining HUD community development funds for the County, which were used to form a revolving loan fund**. The officer suggested the idea and completed the necessary paperwork to obtain the funding. These funds, which are primarily used to support small businesses, are vital to the future economic development of this County. In addition, NBG brought four small businesses to the revolving loan committee to obtain \$1.4 million in loans.

NBG officers are involved in **three** organizations that support affordable housing.

In Ontario County, a bank senior officer is a member of the committee that oversees the handling of the **City of Geneva's HUD community development block grant**. One of the major projects of the committee has been funding housing improvements in the City's two moderate-income geographies. Another officer is a member of the **City's Fair Housing Task Force**, which deals with housing issues for low-income community residents.

In Seneca County, a bank officer took a key leadership role as a charter member and fund development chairman for the **Habitat for Humanity**. The officer coordinated and assisted in fund raising activities that generated \$28,000. The officer also secured a \$35,000 grant for the first building project by Habitat in Seneca County.

In **Ontario County**, bank officers are involved in **five organizations** that provide community services for low and moderate-income residents. One of the organizations also provides its services in **Yates County**.

An officer provides **budgeting and programming assistance** to an organization that provides free food to low-income people in the Geneva area. The organization is also involved with providing school homework assistance to low-income children.

An officer **serves as vice-chairman of the board of a nonprofit organization that provides mentors for troubled youths**. The organization covers a three county area that includes Yates and Ontario County. All of the youth served were from low or moderate-income families.

An officer serves on the **budget and finance committee of a Geneva area daycare provider**, which primarily serves children from families with low or moderate-income.

An officer serves on the board of a **community organization that supports daycare and boys and girls club** activities for low-income children throughout the County.

The bank's president **chaired an annual fundraiser for a local community college**. The fundraiser raised \$39,000 in funds for scholarships that were awarded to students from families with low or moderate-income.

Appendix A: Scope of Examination

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

Time Period Reviewed	Lending Test: January 1, 1998 to December 31, 1999 Investment Test: January 5, 1998 to April 10, 2000 Service Test: January 5, 1998 to April 10, 2000	
Financial Institution	Products Reviewed	
The National Bank of Geneva (NBG) Geneva, New York	Home Mortgage Loans, small loans to businesses and farms, and CD loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None	N/A	N/A
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Ontario County - Rochester NY MSA 6840	Full-Scope	
Seneca/Yates Counties - Non MSA	Full-Scope	

Appendix B: Market Profiles for Full-Scope Areas

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Market Profiles for Areas Receiving Full-Scope Reviews

Ontario County - Rochester NY MSA #6840 B-1
Seneca/Yates Counties - Nonmetropolitan Area) B-2

Rochester NY MSA #6840 - Ontario County

Demographic Information for Full-Scope Area: Rochester NY MSA #6840 - Ontario County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	23	0.00/0	17.39	73.91	8.70	0.00
Population by Geography	95,101	0.00	10.61	81.10	8.29	0.00
Owner-Occupied Housing by Geography	25,600	0.00	8.23	83.57	8.20	0.00
Businesses by Geography	4,474	0.00	19.74	62.90	17.36	0.00
Farms by Geography	365	0.00	8.77	80.55	10.68	0.00
Family Distribution by Income Level	25,318	17.80	21.91	27.28	33.01	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	10,054	0.00	16.03	78.81	5.15	0.00
Median Family Income HUD Adjusted Median Family Income for 1998 Households Below the Poverty Level	= \$ 40,519 = \$50,600 = 7.37%	Median Housing Value Unemployment Rate				= \$ 85,120 = 3.44%

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 U.S. Census, and 1999 HUD updated MFI.

NBG operates in one county of the six county Rochester NY MSA. Ontario County is located in the southeastern portion of the MSA. This is the larger of the bank's two AAs, with 58% of all the geographies served by NBG and 63% of the population served by the bank. The percentage of deposits in the AA is 64%, in nearly exact proportion to the population included in the area. The portion of the bank's total loans in the AA are below the deposit level at 46.32%. The majority or 58% of the bank's small business loans were made in this AA. Four or 64% of the bank's branch offices and six or 46% of the ATMs are in the AA.

The City of Geneva, where NBG is headquartered, is the largest city in Ontario County with a population of 14,143. There are four moderate-income geographies in the AA, the only low or moderate-income geographies served by the bank. NBG is a full service lender offering a broad menu of loan products that include business loans, farm loans, home mortgage loans and consumer loans. These loan products address the primary credit needs of the community, i.e., small business and farm credit, home mortgage loans, automobile loans and education loans. The competition among financial service providers is very strong. NBG competes with large mortgage companies, large regional banks, community and savings banks, as well as several credit unions.

Part of the City of Geneva is located in a New York State Designated Economic Development Zone (EDZ). This designation, which was obtained in 1994, has aided the City in improving

economic conditions in the area. Businesses that locate in the EDZ are eligible for State tax credits and reduced utility rates. There is an exemption from State sales tax for building materials used for industrial or commercial properties not involved in retail sales. The EDZ has helped attract significant new businesses such as the Guardian Glass Company, which brought over 400 new jobs to the area.

Economic conditions are generally good in the AA at this time, and have improved significantly over the last few years. Major industries in the area include services, retail trade, construction and agriculture. The AA has opportunities for community development lending and services, but has had limited opportunities for community development investments. For example, the EDZ has not made any direct investment opportunities available during the examination period.

Seneca/Yates Counties NY Nonmetropolitan Area

Demographic Information for Full-Scope Area: Seneca/Yates Counties NY Nonmetropolitan Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	17	0.00	0.00	82.35	5.88	11.76
Population by Geography	56,493	0.00	0.00	95.45	4.55	0.00
Owner-Occupied Housing by Geography	15,567	0.00	0.00	95.57	4.43	0.00
Businesses by Geography	2,093	0.00	0.00	92.98	7.02	0.00
Farms by Geography	344	0.00	0.00	99.13	.87	0.00
Family Distribution by Income Level	15,217	18.47	18.20	25.17	38.15	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	5,581	0.00	0.00	96.00	4.00	0.00
Median Family Income	= \$31,473	Median Housing Value				= \$65,620
HUD Adjusted Median Family Income for 1998	= \$39,300	Unemployment Rate				= 6.68%
Households Below the Poverty Level	= 10.44%					

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 U.S. Census, and 1999 HUD updated MFI.

This AA is comprised of two adjacent counties in nonmetropolitan area of New York State. Seneca County is located east and Yates County southeast of Ontario County. The two geographies that are not income classified represent Seneca Lake. This is the smaller of the bank's two AAs, with 42% of all the geographies served by NBG and 37% of the population served by the bank. The percentage of deposits in the AA is 36%, in nearly exact proportion to the population included in the area. The portion of the bank's total loans in the AA is significantly higher than the deposit level at 53.68% of the bank's loans. The vast majority, or 73%, of the bank's small farm loans were made in this AA. Also, three of the bank's four community development loans were made in the AA. Two or 36% of the bank's branch offices and seven or 54% of the ATMs are in the AA. NBG opened its first office in Seneca County in September 1998.

Seneca County is the larger of the two counties, with 12 of the AA's 17 geographies. The Towns of Seneca Falls and Waterloo are the largest population centers in the AA. The Town of Penn Yan is the largest population center in Yates County.

NBG is a full service lender offering a broad menu of loan products that include business loans, farm loans, home mortgage loans and consumer loans. These loan products address the primary credit needs of the community, i.e., small business and farm credit, home mortgage loans, automobile loans and education loans. The competition among financial service providers is very strong. NBG competes with large mortgage companies, large regional banks, community and savings banks, as well as several credit unions.

A portion of Seneca County is designated as a New York State Designated Economic Development Zone (EDZ). This designation, which was obtained in 1997, is helping to improve economic conditions in the area. Businesses that locate in the EDZ are eligible for State tax credits and reduced utility rates. There is an exemption from State sales tax for building materials used for industrial or commercial properties not involved in retail sales. The EDZ is helping the County attract new businesses and retain existing businesses.

Economic conditions are now improving after Seneca County suffered major job losses over the 1990s. The closing of the Seneca Army Depot and the Willard Psychiatric Center in the early 1990's, resulted in the loss of 1,700 jobs. With the help of NBG, the County was successful in retaining Bonadent Dental Laboratories. The retention of Bonadent saved 70 jobs. An additional 45 jobs were created through the company's expansion into a new facility. A new prison will be opening in August 2000 that will create 638 new jobs. A facility for troubled youths is scheduled to open and bring 400 new jobs.

Seneca Falls is also attracting more tourists. It was the location of the first Women's Rights Convention in July 1848. There was a major celebration in the area in July 1998, recognizing the 150th anniversary of the Convention. Many prominent women, such as First Lady Hillary Rodham Clinton, were present for the week-long celebration. Its prominent role in history, along with its location in the Finger Lakes region, has increased the need for hotels, motels, and restaurants in the area.

Major industries in the area include services, agricultural and construction. The AA has opportunities for community development lending and services, but has had limited opportunities for community development investments. For example, the EDZ has not made any direct investment opportunities available during the examination period.

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: purchased loans are treated as originations/purchases; market rank is based on the number of loans originated and purchased by the bank as compared to all other lenders in the MSA/assessment area; and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MSA/assessment area.

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

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MSA/assessment area.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 6. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market rank and market share information based on the most recent aggregate market data available.

- Table 7. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle- and upper-income borrowers to the percentage distribution of families by income level in each MSA/assessment area. The table also presents market rank and market share information based on the most recent aggregate market data available.
- Table 8. Borrower Distribution of Home Improvement Loans** - See Table 7.
- Table 9. Borrower Distribution of Refinance Loans** - See Table 7.
- Table 10. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. The table also compares the banks percentage distribution with the percentage of loans originated and purchased by all other small business reporters in the bank s AA to businesses with revenues of \$1 million or less and is based on the most recent aggregate market data available. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 11. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. The table also compares the banks percentage distribution with the percentage of loans originated and purchased by all other small farm reporters in the bank s AA to farms with revenues of \$1 million or less and is based on the most recent aggregate market data available. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Qualified Investments** - Presents the number and dollar amount of qualified investments made by the bank in each MSA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must have been reported on schedule RC-L of the Call Reports as an off-balance sheet item.

Table 13. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle- and upper-income geographies to the percentage of the population within each geography in each MSA/AA. The table also presents data on branch openings and closings in each MSA/AA.

Table 14. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL) - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle- and upper-income geographies to the percentage distribution of the population within each geography. For borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle- and upper-income borrowers to the percentage of households by income level in each MSA/assessment area.

Table 1. Lending Volume

LENDING VOLUME												Evaluation Period: 1-1-1998 TO 12-31-1999	
MSA/Assessment Area:	% of Rated Area Deposits in MSA/AA *	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development		Total Reported Loans		% of Rated Area Loans (#) in MSA/AA	
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)		
Full-Scope:													
Ontario County	64	489	27,829	926	59,771	301	19,691	1	1,875	1,717	109,166	46.32	
Seneca/Yates Counties	36	520	26,343	658	36,909	809	39,832	3	14,800	1,990	117,884	53.68	
Limited-Scope:													

* Deposit data as of June 30, 1999

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE State: New York State Evaluation Period: January 1, 1998 TO December 31, 1999																
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*				Total Home Purchase Loans		
	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Ontario County	0.00	0.00	8.00	10.00	84.00	84.00	8.00	8.00	6	4.30	0.00	6.10	4.80	1.30	167	49
Seneca / Yates Counties	0.00	0.00	0.00	0.00	96.00	94.00	4.00	6.00	2	12.50	0.00	0.00	12.20	19.20	175	51

Full-Scope:

Limited-Scope:

(*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.
 (**) Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Table 3. Geographic Distribution of Home Improvement Loans

MSA/Assessment Area:		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*	Market Share by Geography*					Total Home Improvement Loans	
		% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans		Overall	Low	Mod	Mid	Upp	#	% of Total**
Geographic Distribution: HOME IMPROVEMENT State: New York State Evaluation Period: January 1, 1998 TO December 31, 1999																	
Full-Scope:																	
Ontario County		0.00	0.00	8.00	10.00	84.00	89.00	8.00	1.00	7	5.80	0.00	2.90	6.90	0.00	73	45
Seneca/Wates Counties		0.00	0.00	0.00	0.00	96.00	94.00	4.00	6.00	3	13.00	0.00	0.00	13.30	8.30	88	55
Limited-Scope:																	

(*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

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

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE																	State: New York State					Evaluation Period: January 1, 1998 TO December 31, 1999				
MSA/Assessment Area:	Low-Income Geographies			Moderate-Income Geographies			Middle-Income Geographies			Upper-Income Geographies			Overall Market Rank*	Market Share by Geography*					Total Home Mortgage Refinance Loans							
	% Owner Occ Units	% BANK Loans		% Owner Occ Units	% BANK Loans		% Owner Occ Units	% BANK Loans		% Owner Occ Units	% BANK Loans			Overall	Low	Mod	Mid	Upp		#	% of Total**					
Ontario County	0.00	0.00		8.00	6.00		84.00	91.00		8.00	2.00		2	6.30	0.00	5.40	7.20	1.50	249	49						
Seneca/Yates Counties	0.00	0.00		0.00	0.00		96.00	95.00		4.00	5.00	1	18.00	0.00	0.00	17.80	21.70	257	51							

Limited-Scope:

(*) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.
 (***) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Table 5. Geographic Distribution of Small Loans to Businesses

MSA/Assessment Area:		Geographic Distribution: SMALL LOANS TO BUSINESSES				State: New York State		Evaluation Period: January 1, 1998 TO December 31, 1999					Total Small Business Loans				
		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share by Geography*							
		% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	% of Businesses	% BANK Loans	Overall	Low	Mod			Mid	Upp	#
Full-Scope:																	
Ontario County		0.00	0.00	20.00	15.00	63.00	81.00	17.00	4.00	1	33.60	0.00	40.50	38.50	8.90	926	58
Seneca/Wates Counties		0.00	0.00	0.00	0.00	93.00	95.00	7.00	5.00	1	46.70	0.00	0.00	46.40	51.20	658	42
Limited-Scope:																	

(*) Based on 1998 Aggregate Small Business Data only. Market rank is for all income categories combined.
 (***) Small loans to businesses originated and purchased in the MSA/AAA as a percentage of all small loans to businesses originated and purchased in the rated area.

Table 6. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		State: New York State		Evaluation Period: January 1, 1998 TO December 31, 1999												
MSA/Assessment Area:	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall Market Rank*		Market Share by Geography*				Total Small Farm Loans	
	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans	% of Farms	% BANK Loans	Overall Market Rank*	Overall	Low	Mod	Mid	Upp	#	% of Total**
Full-Scope:																
Ontario County	0.00	0.00	9.00	0.00	81.00	100.00	11.00	0.00	1	76.80	0.00	8.30	81.20	0.00	301	27
Seneca/Vates Counties	0.00	0.00	0.00	0.00	99.00	99.00	1.00	1.00	1	85.50	0.00	0.00	85.30	100.00	809	73
Limited-Scope:																

(*) Based on 1998 Aggregate Small Farm Data only. Market rank is for all income categories combined.
 (***) Small loans to farms originated and purchased in the MSA/AAA as a percentage of all small loans to farms originated and purchased in the rated area.

Table 7. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE										State: New York State				Evaluation Period: January 1, 1998 TO December 31, 1999				
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**					Total Home Purchase Loans			
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***		
Ontario County	18.00	13.00	22.00	27.00	27.00	26.00	33.00	33.00	6	4.30	8.60	5.80	6.40	3.50	167	49		
Seneca/Wates Counties	18.00	7.00	18.00	27.00	25.00	20.00	38.00	45.00	2	12.50	20.00	18.20	10.80	13.90	175	51		

(*) As a percentage of loans with borrower income information available.

(**) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.

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

Table 8. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT														State: New York State				Evaluation Period: January 1, 1998 TO December 31, 1999			
MSA/Assessment Area:	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall Market Rank**	Market Share by Borrower Income**				Total Home Improvement Loans							
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*		Overall	Low	Mod	Mid	Upp	#	% of Total***					
Full-Scope:																					
Ontario County	18.00	21.00	22.00	27.00	27.00	29.00	33.00	23.00	7	5.80	9.90	6.00	5.70	4.30	73	45					
Seneca/Yates Counties	18.00	8.00	18.00	32.00	25.00	34.00	38.00	25.00	3	13.00	6.50	23.10	15.70	6.70	88	55					
Limited-Scope:																					

(*) As a percentage of loans with borrower income information available.
 (**) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.
 (***) Home improvement loans originated and purchased in the MSA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

Table 9. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE															
State: New York State															
Evaluation Period: January 1, 1998 TO December 31, 1999															
	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share by Borrower Income**				Total Home Mortgage Refinance Loans		
	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	% of Families	% BANK Loans*	Overall	Low	Mod	Mid	Upp	#	% of Total****
MSA/Assessment Area:															
Full-Scope:															
Ontario County	18.00	5.00	22.00	24.00	27.00	33.00	33.00	34.00	2	6.30	6.70	7.70	5.70	249	49
Seneca/Yates Counties	18.00	2.00	18.00	16.00	25.00	31.00	48.00	1	18.00	11.40	19.30	21.40	19.90	257	51
Limited-Scope:															

(*) As a percentage of loans with borrower income information available.
 (***) Based on 1998 Aggregate HMDA Data only. Market rank is for all income categories combined.
 (****) Home mortgage refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Table 10. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		State: New York State		Evaluation Period: January 1, 1998 TO December 31, 1999							
MSA/Assessment Area:	Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size		Market Share****		Total Small Loans to Businesses				
	% of Businesses*	% BANK Loans**	% Market Loans***	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$1,000,000	All	Rev \$1 million or less	#	% of Total*****	
Full-Scope:											
Ontario County	72.46	75.59	66.53	85.31	8.42	6.26	33.61	39.37	926	58.46	
Seneca/Yates Counties	74.39	84.50	75.39	88.45	7.29	4.26	46.73	53.72	658	41.54	
Limited-Scope:											

(*) Businesses with revenues of \$1 million or less as a percentage of all businesses.
 (**) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses.
 (***) The market consists of all other Small Business reporters in the MSA/AA and is based on 1998 Aggregate Small Business Data only.
 (****) Based on 1998 Aggregate Small Business Data only.
 (*****) Small loans to businesses originated and purchased in the MSA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

Table 11. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		State: New York State		Evaluation Period: January 1, 1998 TO December 31, 1999					
MSA/Assessment Area:	Farms with Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size		Market Share****		Total Small Farm Loans		
	% of Farms*	% BANK Loans**	% Market Loans***	\$100,000 or Less	> \$100,000 to \$250,000	> \$250,000 to \$500,000	All		
				Rev \$1 million or less	#	% of Total*****			
Ontario County	95.34	89.04	85.35	81.73	12.62	5.65	76.77	301	27.12
Seneca/Yates	98.55	97.78	97.09	86.40	10.63	2.97	85.46	809	72.88
Limited-Scope:									

(*) Farms with revenues of \$1 million or less as a percentage of all farms.
 (**) Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms.
 (***) The market consists of all other Small Farm reporters in the MSA/AA and is based on 1998 Aggregate Small Farm Data only.
 (****) Based on 1998 Aggregate Small Farm Data only.
 (*****) Small loans to farms originated and purchased in the MSA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

Table 12. Qualified Investments

QUALIFIED INVESTMENTS											
		State: New York		Evaluation Period: January 1, 1998 TO April 10, 2000							
MSA/Assessment Areas:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**			
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	% of Total \$~s	#	\$ (000's)		
Full-Scope:											
Ontario County	1	557	9	3	10	560	100	0	0		
Seneca/Yates Counties	0	0	2	1	2	1	0	0	0		
Limited-Scope:											

(*) A Prior Period InvestmentsΔ means investments made in a previous evaluation period that are outstanding as of the examination date.

(**) A Unfunded CommitmentsΔ means legally binding investment commitments reported on the Report of Condition Schedule-L A Off Balance Sheet Items.Δ

Table 13. Distribution of Branch Delivery System and Branch Openings/Closings

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS		State: New York State		Evaluation Period: January 1, 1998 TO December 31, 1999											
MSA/Assessment Area:	Deposits		Branches			Branch Openings/Closings				Population					
	% of Rated Area Deposits in MSA/AA	# of BANK Branches	% of Rated Area Branches in MSA/AA	Location of Branches by Income of Geographies %			# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)			% of the Population within Each Geography			
				Low	Mod	Upp			Low	Mod	Upp	Low	Mod	Upp	
Full-Scope:															
Ontario County	64	4	67	N/A	50	50	0	0				0	10.61	81.1	8.29
Seneca/Yates Counties	36	2	33	N/A	N/A	100	0	1		1		0	0	95.45	4.55
Limited-Scope:															