



PUBLIC DISCLOSURE

January 02, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The First National Bank of Groton
Charter Number: 1083

161 Main Street
Groton, NY 13073-0038

Office of the Comptroller of the Currency

5000 Brittonfield Parkway, Suite A132
East Syracuse, NY 13057

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating

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

The lending test is rated: Outstanding

The major factors that support this rating include:

- The Lending Test rating is based on performance in the assessment area (AA) in the state of New York (NY), which demonstrated excellent distribution of loans to borrowers of different income levels and businesses of different sizes and poor distribution of loans to geographies of different income levels.
- A substantial majority of the First National Bank of Groton's (FNBG or bank) loans are inside the AA.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the AA(s), the bank's loan-to-deposit (LTD) ratio is reasonable.

FNBG's average LTD ratio for the 16-quarter period following the date of the prior evaluation period, December 31, 2017, through the end of the current evaluation period, December 31, 2021, is 60.14 percent. In comparison, the quarterly average LTD ratio of five similarly situated financial institutions in the surrounding areas was 61.57 percent during the same period, ranging from a low of 32.01 percent to a high of 102.43 percent.

Lending in Assessment Area

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

The bank originated and purchased 94.9 percent of its total loans inside the bank's AAs during the evaluation period. This analysis is performed at the bank, rather than the AA, level. This percentage does not include extensions of credit by affiliates that may be considered under the other performance criteria. Additionally, small business loans were based on a sample size of 65 loans originated during the evaluation period.

Table D - Lending Inside and Outside of the Assessment Area

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	258	95.6	12	4.4	270	25,925	95.4	1,258	4.6	27,183
Small Business	60	92.3	5	7.7	65	2,525	97.4	68	2.6	2,593
Total	318	94.9	17	5.1	335	28,450	95.5	1,326	4.5	29,776

Source: Bank Data

Due to rounding, totals may not equal 100.0%

Description of Institution

FNBG is a single-state community bank headquartered in Groton, New York. As of December 31, 2021, the bank had \$222.8 million in total assets. The bank is not a subsidiary of a holding company. There was no merger or acquisition activity during the evaluation period.

As of December 31, 2021, the bank had \$192.5 million in total deposits and \$28.7 million in tier 1 capital. Net loans totaled \$91.65 million, which represented 45.5 percent of average assets. Real estate loans were 66.8 percent of gross loans, with one- to four-family residential real estate loans composing 53.87 percent of gross loans, construction loans composing 6.16 percent, nonfarm nonresidential loans composing 5.29 percent, multifamily loans composing 0.78 percent, and farmland composing 0.74 percent. Commercial and industrial loans were 18.36 percent of gross loans, and consumer loans, mainly automobile loans, were 14.02 percent.

The bank's strategy during the evaluation period focused on organic loan and deposit growth. To support borrowing demand, the bank offers noncomplex residential mortgage loans, including direct mobile home financing. Consumer and business loans are generally noncomplex. The bank addresses the needs of low-to moderate-income borrowers by offering no minimum loan amount requirement on any loan product and frequently make loans for \$500 or less, some being under \$200.

The bank has one additional branch aside from the Groton location, located in Moravia, NY. The Town of Groton is located in the northeast corner of Tompkins County and is part of the Ithaca-Cortland combined statistical area (CSA). Moravia is located in the southern section of Cayuga County and is not part of a metropolitan statistical area (MSA) or CSA. The institution offers banking services six days a week for all services at the main office and the branch. Lobby hours are from 9:00 a.m. to 4:00 p.m. on Monday and Tuesday, 9:00 a.m. to 1:00 p.m. on Wednesday, 9:00 a.m. to 5:00 p.m. on Thursday and Friday, and 9:00 a.m. to 12:00 p.m. on Saturday. Drive-thru banking at both locations extends transactional banking hours from 8:00 a.m. to 5:00 p.m. on Monday and Tuesday, 8:00 a.m. to 4:00 p.m. on Wednesday, 8:00 a.m. to 6:00 p.m. on Thursday and Friday, and 8:00 a.m. to 12:00 p.m. on Saturday. Each office has a 24-hour automated teller machine (ATM). For customers who want the option of electronic banking, the bank offers online banking with a bill payment feature. The bank also offers mobile banking with remote deposit capture via use of a cell phone camera and telephone banking.

FNBG has no legal, financial, or other impediments hindering its ability to help meet the credit needs in its AAs. The bank was rated "Outstanding" at its last CRA evaluation dated January 23, 2018.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This performance evaluation (PE) assessed the bank's lending performance in its AA under the Community Reinvestment Act (CRA). Examiners evaluated FNBG using the Small Bank evaluation procedures, which included a lending test. The bank's performance was assessed using small business and home mortgage loans originated and purchased during the evaluation period, which was January 1, 2019, through December 31, 2021.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank delineated assessment areas located within the same MSA, multistate metropolitan statistical area (MMSA), or CSA are combined and evaluated as a single AA. Similarly, bank delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the “Scope” section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

A bank’s overall rating is a blend of the state ratings. For FNBG, the overall rating is based on lending activity in its only state, New York.

FNBG has two AAs used for this evaluation: Ithaca-Cortland CSA AA, and the NY Non MSA AA.

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

Discriminatory or Other Illegal Credit Practices Review

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

The OCC has not identified that this bank (or any affiliate whose loans have been considered as part of the bank's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

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

State Rating

State of New York

CRA rating for the State of New York¹: Outstanding

The Lending Test is rated: Outstanding

The major factors that support this rating include:

- A substantial majority of the bank's loans are inside its AA.
- An overall excellent distribution of loans to borrowers of different income levels.
- An overall poor distribution of loans to geographies of different income levels.

Description of Institution's Operations in New York

Business consists primarily of taking deposits from the public and investing those deposits, together with funds generated from operations, in one- to four-family residential real estate loans, and, to a lesser extent, commercial and industrial loans, loans to individuals, and commercial real estate loans. Deposit accounts offered by the bank include various savings accounts and checking accounts. FNBG also invests in securities, representing 44.96 percent of average assets as of December 31, 2021. The securities portfolio consists of municipal securities, US Treasury & Agency securities, commercial mortgage-backed securities, and pass-through mortgage-backed securities.

FNBG conducts their business from the main office (Groton) and one other branch office (Moravia). The bank has two ATMs, one at each location. Management has not opened or closed a branch since the last evaluation.

FNBG's market area has several competitor banks including community banks, credit unions, and larger institutions. As of June 30, 2022, the bank ranked 10th (2.42 percent market share) out of 15 lenders for deposits held amongst insured financial institutions having branches with the CSA AA. Other deposit-taking institutions included Tompkins Trust Company with a deposit market share of 37.58 percent, CFCU Community Credit Union with 23.51 percent, and Key Bank National Association (N.A.) with 9.85 percent. The bank ranked first (37.43 percent market share) out of five lenders for deposits held amongst insured financial institutions having branches within the NY Non MSA AA. Other deposit-taking institutions included Cayuga Lake National Bank with 30.52 percent, Elmira Savings Bank with 18.06 percent, Community Bank N.A. with 12.03 percent, and Generations Bank with 1.95 percent.

¹ This rating reflects performance within the state. The statewide evaluations do not reflect performance in the parts of those states contained within a MMSA.

Ithaca-Cortland CSA AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: FNBG Ithaca-Cortland CSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	33	0.0	15.2	54.5	27.3	3.0
Population by Geography	144,601	0.0	14.2	54.5	27.2	4.2
Housing Units by Geography	58,740	0.0	12.6	59.0	24.6	3.7
Owner-Occupied Units by Geography	30,723	0.0	10.9	66.1	22.9	0.1
Occupied Rental Units by Geography	22,571	0.0	15.6	50.1	26.8	7.5
Vacant Units by Geography	5,446	0.0	10.3	56.2	24.8	8.6
Businesses by Geography	10,503	0.0	13.8	50.8	33.4	2.0
Farms by Geography	503	0.0	9.9	65.6	24.3	0.2
Family Distribution by Income Level	28,944	20.1	15.9	21.7	42.3	0.0
Household Distribution by Income Level	53,294	26.2	14.4	16.6	42.8	0.0
Median Family Income MSA - 27060 Ithaca, NY MSA		\$74,524	Median Housing Value			\$179,287
Median Family Income Non MSAs - NY		\$59,570	Median Gross Rent			\$919
			Families Below Poverty Level			8.9%
<i>Source: 2015 ACS and 2021 D&B Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The Ithaca-Cortland CSA AA consisted of 33 contiguous census tracts. Per the 2015 American Community Survey (ACS) data, there were no low-income census tracts, five moderate-income census tracts, 18 middle-income census tracts, nine upper-income census tracts, and one census tract without an income classification. The AA does not arbitrarily exclude low- or moderate-income CTs.

Economic Data

According to the 2015 ACS data, the AA has 144,601 individuals and includes 58,740 total housing units. Approximately 90.73 percent of the housing units are occupied, with 52.30 percent of the total housing units owner-occupied and 38.43 percent rental occupied. Approximately 9.27 percent of units are vacant. The weighted average median housing value is \$179,287. The AA includes 53,294 households, of which 9,207, or 17.28 percent, are living below the poverty level. The AA has 28,944 total families and a Median Family Income (MFI) of \$75,891. As of 2021, there were 10,503 nonfarm businesses, 83.61 percent of which reported revenues below \$1 million, and 503 farms, of which 95.43 percent reported revenues below \$1 million. Economic conditions in the AA are stable. As of 2021, the unemployment rate in the AA was 3.5 percent.

Community Contacts

The OCC reviewed information from one community contact conducted during the evaluation period to determine local economic conditions and community needs within the Ithaca-Cortland CSA AA. The

organization focused on affordable housing, neighborhood revitalization and economic stabilization. The organization identified the need for affordable housing for low- and moderate-income individuals and families and financial education.

NY Non MSA AA

Table A – Demographic Information of the Assessment Area						
Assessment Area: FNBG Non MSA AA (Cayuga)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	5	0.0	0.0	60.0	40.0	0.0
Population by Geography	21,795	0.0	0.0	62.8	37.2	0.0
Housing Units by Geography	10,188	0.0	0.0	62.5	37.5	0.0
Owner-Occupied Units by Geography	6,820	0.0	0.0	57.0	43.0	0.0
Occupied Rental Units by Geography	1,317	0.0	0.0	72.2	27.8	0.0
Vacant Units by Geography	2,051	0.0	0.0	74.4	25.6	0.0
Businesses by Geography	1,226	0.0	0.0	51.7	48.3	0.0
Farms by Geography	203	0.0	0.0	71.4	28.6	0.0
Family Distribution by Income Level	5,830	12.8	15.5	20.2	51.4	0.0
Household Distribution by Income Level	8,137	13.9	12.7	18.4	55.0	0.0
Median Family Income Non MSAs - NY		\$59,570	Median Housing Value			\$137,508
			Median Gross Rent			\$698
			Families Below Poverty Level			4.9%
<i>Source: 2015 ACS and 2021 D&B Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

The NY Non MSA AA consisted of five contiguous census tracts. Per the 2015 American Community Survey (ACS) data, there were no low-income census tracts, no moderate-income census tracts, three middle-income census tracts, and two upper-income census tracts. The AA does not arbitrarily exclude low- or moderate-income CTs.

Economic Data

Per the 2015 ACS data, the AA has 21,795 persons and includes 10,188 total housing units. Approximately 79.87 percent of the housing units are occupied, with 66.94 percent of the total housing units owner-occupied units and 12.93 percent rental occupied units. Approximately 20.13 percent of units are vacant. The weighted average median housing value is \$137,508. The AA includes 8,137 households, of which 7.05 percent are living below the poverty level. The AA has 5,830 total families and a MFI of \$74,487. As of 2021, there were 1,226 non-farm businesses, 87.68 percent of which reported revenues below \$1 million, and 203 farms, of which 93.60 percent reported revenues below \$1 million. Economic conditions in the AA are stable. As of 2021, the unemployment rate in the AA was 3.46 percent.

Scope of Evaluation in New York

Examiners completed a full-scope review of the bank's two AAs, the Ithaca-Cortland CSA, and the NY Non MSA AA. These AAs were selected based on the bank's stated AA, which includes all of Tompkins County, the western portion of Cortland County, as well as the Southern portion of Cayuga County. In both AAs, the performance of the distribution of loans were given equal weight given the mix of census tracts designations in the AA. Please refer to appendix A for a list of the bank's AAs under review.

LENDING TEST

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

Conclusions for Areas Receiving a Full-Scope Review

Based on a full scope review, the bank's performance in the Ithaca-Cortland CSA is excellent.

Based on a full scope review, the bank's performance in the NY Non MSA is excellent.

Distribution of Loans by Income Level of the Geography

The bank exhibits poor geographic distribution of loans in the State.

Home Mortgage Loans

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

The geographic distribution of home mortgage loans is poor.

Ithaca-Cortland CSA AA

The geographic distribution of home mortgage loans is poor. The bank's level of home mortgage loans in moderate-income geographies over the evaluation period was well below the demographic data and aggregate performance. Examiners did consider the following mitigating factors into the overall lending test rating: these CTs were not in the bank's stated AA for 2019 or 2020, and only apply to 2021, there is a low number of low and moderate-income level CTs in the AA, and distance from the closest branch ranges from 8.7 to 26 miles.

NY Non MSA AA

The NY Non MSA AA has no low or moderate income CTs.

Small Loans to Businesses

Refer to Table Q in the state of New York section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

The geographic distribution of small loans to businesses is poor.

Ithaca-Cortland AA

The geographic distribution of small loans to businesses is poor. The CSA AA has no low income CTs. The bank's level of small business loans in moderate-income geographies over the evaluation period was well below the demographic data and aggregate performance. Examiners did consider the following mitigating factors into the overall lending test rating: these CTs were not in the bank's stated AA for 2019 or 2020, and only apply to 2021, there is a low number of low and moderate-income level CTs in the AA, and distance from the closest branch ranges from 8.7 to 26 miles.

NY Non MSA AA

The NY Non MSA AA has no low or moderate income CTs.

Distribution of Loans by Income Level of the Borrower

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

Home Mortgage Loans

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

Ithaca-Cortland CSA AA

The borrower distribution of home loans is excellent. The percentage of home mortgage loans to low-income borrowers was below the percentage of low-income families but exceeds the aggregate lending in the AA. The percentage of home mortgage loans to moderate-income borrowers exceeds the percentage of moderate-income families and the aggregate lending in the AA.

The assessment of borrower distribution of home mortgage loans considered housing affordability and the fact that aggregate home mortgage lending was well below the volume of low-income families in the AA. Per the Federal Reserve Economic Data maintained by the Federal Reserve Bank of St. Louis, the median home listing price in Tompkins County increased from \$252,350 in January 2020 to \$286,000 in December 2021, peaking at \$302,000 in March 2021. Based on the median home listing price, the principal and interest payment for a 30-year mortgage with no down payment and a fixed 5 percent interest rate increased from \$1,355 in January 2020 to \$1,535 in December 2021, peaking at \$1,621 in March 2021. Using the threshold of 30 percent of income for housing affordability, a low-income individual earning 50 percent of the median income could afford a monthly payment of \$535 in 2020 and \$560 in 2021 based on the updated family median income. When including additional expenses such as real estate taxes and homeowners' insurance, it becomes even more difficult for low-income individuals to afford a mortgage. The situation is similar in Cortland County, where the median listing price increased from \$117,450 in January 2020 to \$192,975 in December 2021, which is also the peak. Cortland County monthly payments are the same as the Tompkins County monthly payments.

NY Non MSA AA

The borrower distribution of home loans is excellent. The percentage of home mortgage loans to low-income borrowers approximates the percentage of low-income families and exceeds the aggregate lending in the AA. The percentage of home mortgage loans to moderate-income borrowers exceeds the percentage of moderate-income families and the aggregate lending in the AA.

Small Loans to Businesses

Refer to Table R in the state of New York section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to businesses.

Ithaca-Cortland CSA AA

The borrower distribution of small loans to businesses is excellent. The distribution of small loans to businesses with less than \$1 million in revenue is below the percentage of businesses with less than \$1 million in revenue but exceeds the aggregate lending in the AA.

NY Non MSA AA

The borrower distribution of small loans to businesses excellent. The distribution of small loans to businesses with less than \$1 million in revenue is below the percentage of businesses with less than \$1 million in revenue but exceeds the aggregate lending in the AA.

The assessment of the performance of small loans to businesses was impacted by a lack of revenue information within our sample. Of the 60 loans within the bank's AA in our sample, 11 loans lacked business revenue information. Of the 11 loans, 10 were within the Ithaca-Cortland CSA AA, and one was within the NY Non MSA AA. The lack of revenue information can be attributed to the bank's lending under the PPP. Management originated 469 PPP loans during our evaluation period. Management primarily collected revenue information for sole proprietorships. As a result, the sample had a higher percentage of loans without revenue information.

When determining performance, examiners considered the percentage of small loans to businesses with less than \$1 million in revenue using the number of businesses we did have revenue information for. When considering this, 96.2 percent of small loans to businesses were made to businesses with less than \$1 million in revenue within the Ithaca-Cortland CSA AA and 78.3 percent of small loans to businesses were made to businesses with less than \$1 million in revenue within the NY Non MSA AA.

In addition, the assessment of the performance also considered the size of loans. During the evaluation period, 80.6 percent of small loans to businesses in the Ithaca-Cortland AA were less than \$100,000. During the evaluation period, 95.8 percent of small loans to businesses in the NY Non MSA AA were less than \$100,000.

Responses to Complaints

There were no CRA-related complaints during the evaluation period.

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 MSAs and non-MSAs that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

Time Period Reviewed:	(01/01/2019 to 12/31/2021)	
Bank Products Reviewed:	Home mortgage, small business	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
New York		
Ithaca-Cortland CSA AA	Full scope	The entirety of Tompkins County and the Western Half of Cortland County
Non MSA AA	Full scope	Southern half of Cayuga County

Appendix B: Summary of State Ratings

RATINGS The First National Bank of Groton	
Overall Bank:	Lending Test Rating
The First National Bank of Groton	Outstanding
State:	
New York	Outstanding

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

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

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

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

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

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

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into ‘male householder’ (a family with a male householder and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

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

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that conduct business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants, the amount of loan requested, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

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

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

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

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

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

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

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

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

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rating Area: A rated area is a state or multi-state metropolitan statistical area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

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

Upper-Income: Individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent, in the case of a geography.

Appendix D: Tables of Performance Data

Content of Standardized Tables

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

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

- Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.
- Table P. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MMSA/assessment area. The table also presents aggregate peer data for the years the data is available.
- Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were 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) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.
- Table R. Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenue** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to: 1) the percentage distribution of businesses with revenues of greater than \$1 million; and, 2) the percentage distribution of businesses for which revenues are not available. The table also presents aggregate peer small business data for the years the data is available.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - 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 aggregate peer data for the years the data is available. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and, 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area.

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2019-21		
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts				
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate		
Ithaca-Cortland CSA AA	135	14,165	52.3	3,127	0.0	0.0	0.0	10.9	3.0	10.0	66.1	87.4	65.2	22.9	9.6	24.0	0.1	0.0	0.8		
NY Non MSA AA	123	11,760	47.7	578	0.0	0.0	0.0	0.0	0.0	0.0	57.0	95.9	52.8	43.0	4.1	47.2	0.0	0.0	0.0		
Total	258	25,925	100.0	3,705	0.0	0.0	0.0	8.9	1.6	8.4	64.4	91.5	63.2	26.6	7.0	27.7	0.1	0.0	0.6		

*Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2019-21		
Assessment Area:	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers				
	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate	% Families	% Bank Loans	Aggregate		
Ithaca-Cortland CSA AA	135	14,165	52.3	3,127	20.1	17.8	6.7	15.9	25.2	18.8	21.7	29.6	23.9	42.3	25.9	40.4	0.0	1.5	10.2		
NY Non MSA AA	123	11,760	49.0	578	12.8	11.4	5.0	15.5	21.1	13.7	20.2	25.2	23.2	51.4	41.5	46.2	0.0	0.8	11.9		
Total	258	25,925	100.0	3,705	18.9	14.7	6.4	15.8	23.3	18.0	21.5	27.5	23.8	43.8	33.3	41.3	0.0	1.2	10.5		

*Source: 2015 ACS; 01/01/2019 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																			2019-21	
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts			
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	
Ithaca-Cortland CSA AA	36	1,608	63.7	2,445	0.0	0.0	0.0	13.8	5.6	13.5	50.8	75.0	51.5	33.4	19.4	32.9	2.0	0.0	2.1	
NY Non MSA AA	24	917	36.3	269	0.0	0.0	0.0	0.0	0.0	0.0	51.7	95.8	53.2	48.3	4.2	46.8	0.0	0.0	0.0	
Total	60	2,525	100.0	2,714	0.0	0.0	0.0	12.3	3.3	12.2	50.9	83.3	51.6	35.0	13.3	34.3	1.8	0.0	1.9	

*Source: 2021 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues													2019-21	
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available				
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans			
Ithaca-Cortland CSA AA	36	1,608	63.7	2,445	83.6	69.4	33.4	4.4	2.8	12.0	27.8			
NY Non MSA AA	24	917	36.3	269	87.7	75.0	26.0	2.9	20.8	9.5	4.2			
Total	60	2,525	100.0	2,714	84.0	71.7	32.7	4.2	10.0	11.7	18.3			

*Source: 2021 D&B Data; 01/01/2019 - 12/31/2021 Bank Data; 2020 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%*

The total loan amount presented in the tables for each assessment area may differ from the total loan amount reported in the aggregate table due to how the underlying loan data is rounded in each table.