



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

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COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

THE CANANDAIGUA NATIONAL BANK AND TRUST COMPANY
Charter Number: 3817

72 South Main Street
Canandaigua, NY 14424

Office of the Comptroller of the Currency

Upstate New York Field Office
5000 Brittonfield Parkway, Suite 102
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NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating

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

The following table indicates the performance level of **The Canandaigua National Bank and Trust Company (CNBT)** with respect to the Lending, Investment, and Service Tests:

Performance Levels	Canandaigua National Bank and Trust Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	
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:

- Lending levels that reflect an excellent responsiveness by CNBT to the credit needs of its assessment area (AA);
- A good distribution of loans among borrowers of different income levels throughout the AA;
- An adequate distribution of loans among geographies of different income levels throughout the AA, along with a substantial majority of loans originated inside the AA;
- The level of community development loans that had a positive impact on the bank’s lending performance;
- Innovative and flexible lending products that had a positive impact on the bank’s lending performance;
- Investments that reflect good responsiveness to the credit and community development needs of the AA;
- Service delivery systems that are reasonably accessible to geographies and individuals of different income levels in the AA; and
- Good performance in providing community development services.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout 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. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community Development: 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 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.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - a. Rates of poverty, unemployment, and population loss; or
 - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

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.

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, home equity 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 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 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 applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include additional data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

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 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 income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

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 MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. 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 Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget and any other area designated as such by the appropriate federal financial supervisory agency.

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

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

Other Products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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.

Rated Area: A rated area is a state or multi-state metropolitan 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 area, the institution will receive a rating for the multi-state metropolitan 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) and the Thrift Financial Reporting (TFR) 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 One 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.

Description of Institution

Canandaigua National Bank and Trust Company (CNBT) is headquartered in Canandaigua, New York, and is a wholly owned subsidiary of Canandaigua National Corporation (CNC). CNC's principal operations comprise the activity of CNBT and CNB Mortgage Company (CNBMC), which generates home purchase and refinance loans. CNBMC became an operating subsidiary of CNBT on September 1, 2010 after operating as an affiliate in prior years. CNBT has another operating subsidiary, CNB Insurance Agency, which offers insurance products. CNBT also maintains ownership interests in Cephias Capital Partners, LP, a Small Business Investment Company, Monroe Fund, a start-up business venture fund and USA Payroll, a payroll processing firm.

CNBT is a full service intrastate bank with 22 branch banking offices and one trust office serving portions of four counties (Ontario, Monroe, Livingston and Wayne) in the Finger Lakes region of New York State. During the evaluation period, the bank moved a temporary branch office to its permanent location in Henrietta, N.Y., and opened two additional branches in Webster and Rochester, N.Y. CNBT offers a wide range of financial services ranging from traditional deposit and loan products to insurance products, trust services, and investment products.

As of June 30, 2011, CNBT had \$1.67 billion in total assets that included \$1.16 billion in net loans, representing 69% of total assets. The bank's loan portfolio mix consists of 65% real estate loans (34% commercial real estate loans, 29% residential real estate loans and 2% construction and development loans), 17% commercial and industrial loans, and 18% loans to individuals. As of June 30, 2011, CNBT reported Tier 1 capital of \$147 million.

CNBT operates in a competitive financial services market with mortgage companies, large regional banks, large credit unions, savings banks and community banks. CNBT is not subject to any known financial, legal, or other factors that would impede its ability to help meet the credit needs of its assessment areas.

CNBT's last CRA exam was April 10, 2008, at which time the bank's performance was rated "Satisfactory."

Scope of the Evaluation

Evaluation Period/Products Evaluated

The CRA evaluation period covers January 1, 2008 through December 31, 2010, for Home Mortgage Disclosure Act loans (HMDA) and small business loans. HMDA loans include home purchase, home improvement and refinance loans. The evaluation period for community development loans, investments, and services is April 10, 2008, through August 7, 2011. This represents the time period between the start date of the bank's last CRA examination and the current examination. The market share and peer comparisons are based on the information contained in the aggregate HMDA Register for 2009. Peer comparisons for small business lending are also for 2009. Information on demographic statistics was obtained from the 2000 Census data and included updated data when available. HMDA median family income for 2010 was obtained as this information is updated annually.

The peer comparisons in this report include only lenders in the Rochester, NY, MSA who were required to file HMDA and Small Business/Farm Reports for 2009. Aggregate HMDA and Small Business/Farm reports for 2010 are currently unavailable.

For the lending test, we evaluated CNBT's origination of home purchase, home refinance, home improvement loans, small business loans and community development (CD) loans. We did not evaluate CNBT's origination of small farm loans or multi-family dwelling loans because the volume was not significant for a meaningful analysis (0.1% and 0.2% of loan originations, respectively, over the lending test evaluation period). The lending data for home purchase and home refinance loans includes loans within CNBT's AA made by the bank's former mortgage company affiliate CNBMC (now a bank subsidiary).

Data Integrity

A data integrity examination was performed prior to the examination of the loan information discussed in the Evaluation Period/Products Evaluated section above. The quality of the bank's HMDA and small business/farm reporting was determined to be satisfactory based on the results of the sample of HMDA and small business/farm loans tested. No significant issues were identified.

Selection of Areas for Full-Scope Review

We completed a full-scope review of the bank's only AA, the Rochester, NY MSA AA.

Ratings

The bank's overall rating is based entirely on the review of the bank's only AA. The bank's primary product was home mortgage loans, representing 65% of the number of loans originated during the evaluation period. Small business lending accounted for 35% of the number of loans originated. Home mortgage dollar volume represented 63% and small business dollar volume represented 37%. Among originated and purchased home mortgage loans, 45% were home purchase, 49% were home refinance and 6% were home improvement

loans. When determining conclusions for the lending test, home mortgage loans received more weight than small business loans. Within the home mortgage product category, home refinance loans and home purchase loans held equal weight followed by home improvement loans. This weighting is reflective of CNBT's volume by loan type over the evaluation period.

Other

Two community contacts were made during the examination with organizations located in Monroe County. We also took into consideration information from another community contact made in conjunction with another examination from November 2010. Combined, these contacts provided information on the housing and economic development environment in the region and issues affecting the community and low- to moderate-income individuals and families.

The community contacts stated that the primary credit needs in the area were housing and small business lending. Among housing concerns, affordable housing and rehabilitation of low-end housing were primary credit needs. A majority of the housing stock in the area is old and requires repair. Community contacts also identified small business lending and start-up financing for businesses as a primary need. One community contact also mentioned the need for greater banking delivery system accessibility in low- and moderate-income areas. The need for affordable housing and small business related credit, investments, and services were considered in our evaluation of CNBT's performance under the Lending, Investment, and Service Tests. Refer to the Market Profile in Appendix B of this Evaluation for more information.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

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 "High Satisfactory". Based on a full-scope review, the bank's performance in the Rochester MSA AA is adequate.

Lending Activity

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

CNBT's overall lending activity in the Rochester MSA AA was excellent. Since the last examination, CNBT has increased its presence in the MSA with a greater market share in deposits and lending (except for home improvement loans). CNBT ranked fourth in total deposits as of June 30, 2010 with a 10.3% deposit market share. Based on 2008 and 2009 aggregate HMDA data, CNBT ranked fourth and second in overall home mortgage lending in its AA, respectively. In 2009, CNBT ranked second in both home refinance loans (12.78% market share) and home purchases (9.47% market share), and ranked seventh in home improvement loans (4.03% market share). CNBT was ranked behind four credit unions and two larger financial institutions for home improvement loans in 2009.

Based on 2008 and 2009 CRA aggregate data, CNBT ranked tenth and sixth as an originator of the number of small loans to businesses, respectively. CNBT improved its market share for small loans to businesses from 3.19% in 2008 to 5.83% in 2009. In 2009, CNBT was ranked behind four credit card companies and a larger financial institution in the small loans to businesses market. The four credit card companies ahead of CNBT averaged approximately \$5,000 per loan transaction, while the larger financial institution averaged \$95,000 per loan transaction. CNBT averaged \$83,000 per small business loan transaction in 2009. CNBT achieved the ranking of third and second in 2008 and 2009, respectively, based on the dollar volume of loan originations. The bank's market share based on dollar volume of originations for 2008 and 2009 was 7.99% and 12.10%, respectively.

Distribution of Loans by Income Level of the Geography

The geographic distribution of CNBT's home mortgage loans and small loans to businesses reflects overall adequate penetration throughout the Rochester MSA.

Home Mortgage Loans

The geographic distribution of home mortgage loans is adequate.

Refer to Tables 2, 3, 4 and 5 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 geographic distribution of home purchase loans is good. The percentage of home purchase loans made in moderate- income census tracts in the AA exceeded the percentage of owner-occupied units that are in those moderate- income geographies. The percentage of home purchase loans made in low- income geographies in the AA is somewhat lower the percentage of owner-occupied units in those low- income geographies. The market share of loans originated in low- and moderate-income census tracts in the AA exceeded the bank's overall market share.

The geographic distribution of home improvement loans is poor. The percentage of home improvement loans made in low- and moderate-income geographies in the AA is lower than the percentage of owner-occupied units in those low- and moderate-income geographies. CNB's market share of home improvement loans originated in low- income census tracts in the AA was significantly lower the bank's overall market share of home improvement loans. The market share of home improvement loans made in moderate-income geographies is somewhat lower than the bank's overall market share.

The geographic distribution of home refinance loans is adequate. The percentage of home refinance loans made in both low- and moderate-income geographies is lower than the percentage of owner-occupied units in those low- and moderate-income geographies. CNB's market share of home mortgage refinance loans originated in moderate-income geographies exceeds the bank's overall market share. The market share of home mortgage refinance loans originated in low-income geographies is near to the bank's overall market share.

Small Loans to Businesses

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 businesses.

The geographic distribution of small loans to businesses is excellent. The percentage of small business loans made to businesses in low-income geographies is near to the percentage of small businesses located in low-income geographies in the AA. The percentage of small business loans made to businesses in moderate-income geographies exceeded the percentage of small businesses located in moderate-income geographies in the AA. Market share data for small business lending in both low- and moderate-income geographies exceeded the bank's overall market share for 2009.

Lending Gap Analysis

We evaluated the lending distribution in the AA to determine if any unexplained conspicuous gaps existed. No unexplained conspicuous gaps were identified.

Inside/Outside Ratio

This portion of the evaluation is based only on bank loans and does not include loans originated by affiliates. A substantial majority (88%) of small business, home mortgage and community development loans were made within the bank's AA. By product, 87% of the small

loans to businesses, 91% of home mortgage and 100% of the CD loans were within the bank's AA. This performance was positively factored into the overall analysis of the geographic distribution of lending by income level of geography.

Distribution of Loans by Income Level of the Borrower

The borrower distribution of CNBT's home mortgage and small business loans reflects adequate dispersion among borrowers of different income levels and businesses of different sizes in the AA. In the evaluation of borrower distribution of home mortgage loans, consideration was given to the 11% of the AA households living below the poverty level. Due to reasons of affordability, it is unlikely that many of those with incomes below the poverty level would be involved in home mortgage financing. Accordingly, we considered this in evaluating the bank's lending distribution to low-income borrowers.

Home Mortgage Loans

The overall borrower distribution of home mortgage loans was good.

Refer to Tables 8, 9, and 10 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 borrower distribution for home purchase loans was excellent. The percentage of home purchase loans made to moderate-income borrowers in the AA exceeded the percentage of families defined as such. The percentage of home purchase loans made to low-income borrowers in the AA was somewhat lower than the percentage of low-income families, but was excellent when considering the percentage households in the AA living below the poverty level. CNBT's market share for both low- and moderate-income borrowers was near to the bank's overall market share in the AA for home purchase loans.

The borrower distribution for home improvement loans was excellent. The percentage of home improvement loans made to moderate-income borrowers in the AA exceeded the percentage of families defined as such. The percentage of home improvement loans made to low-income borrowers in the AA was near to the percentage of families defined as such, but was excellent when considering the household poverty rate. CNBT's market share for loans made to low- and moderate income borrowers exceeded the bank's overall market share in the AA.

The borrower distribution for home refinance loans was adequate. The percentage of home refinance loans made to moderate-income borrowers in the AA was near to the percentage of moderate-income families defined as such. CNBT's market share for moderate-income borrowers was somewhat lower than the bank's overall market share in the AA for refinance loans. The percentage of home refinance loans made to low-income borrowers in the AA was significantly lower than the percentage of low-income families defined as such, but adequate when considering the poverty rate. CNBT's market share for loans made to low-income borrowers was somewhat lower than the bank's overall market share for refinance loans in the AA.

Small Loans to Businesses

Refer to Table 11 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 business is adequate. The percentage of CNB's loans to small businesses (businesses with revenues of \$1 million or less) was somewhat lower than the percentage of businesses defined as such in the AA. The market share of small loans to businesses exceeded the bank's overall market share in the AA. In addition, approximately 83% of CNBT's small loans to businesses were under \$100,000 in size.

Community Development Lending

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

CNBT's level of Community Development (CD) lending had a positive impact on the evaluation of its lending performance in the AA. CNBT originated 23 loans totaling approximately \$7.55 million in its AA during the evaluation period. The loans were primarily made to organizations that provide community services targeted to low- and moderate-income individuals or affordable housing. Two loans totaling \$2.8 million were utilized in the financing of the purchase of a company located in a moderate-income census tract. The financing helped retain 20 jobs, mostly low- and moderate income paying jobs for what is the largest employer in the town.

Product Innovation and Flexibility

Product innovation and flexibility had a positive impact on the Lending Test conclusion. The bank offers standard government sponsored loan programs that provide flexible lending terms including - Federal Housing Administration (FHA), Fannie Mae, Freddie Mac, Veteran's Administration (VA), and Small Business Administration (SBA) loans. These programs include first-time homebuyer's programs with reduced fees, and down payment and/or closing cost assistance for low-and moderate-income individuals.

The bank also partners with the Federal Home Loan Bank of New York (FHLB NY) and NeighborWorks Rochester to provide loans under the First Home Club program. This program assists low- and moderate-income individuals and families earn a grant towards down payment and or closing costs associated with first home purchases. Assistance is granted to participants who successfully establish a dedicated savings account at the bank and make regular deposits during a 10 to 24 month period.

The bank also offers a few innovative products for homeowners. CNBT created an affordable home grant program to assist qualified low- and moderate-income individuals and families finance a property in a designated low-or moderate-income census tract. The bank provides \$2,500 for owner-occupied homes located in low- income census tracts and \$1,500 for owner-occupied homes located in moderate-income census tracts.

The bank formed a partnership with the University of Rochester and the City of Rochester to assist and encourage home ownership in designated areas within the Rochester MSA. A pool of funds is available to assist eligible full time and part time employees with up to \$9,000 toward the purchase of a primary residence. The bank originally offered \$2,500 and \$3,500 grants for properties located in moderate-income census tracts and low-income census tracts, respectively. In April 2011, the bank changed its grant program to \$3,000 for properties located in either low- or moderate-income census tracts.

CNBT provided grants totaling \$253,000 while originating 127 loans under the three mortgage programs noted above between January 1, 2008 and December 31, 2010.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test is rated "High Satisfactory."

Refer to Table 14 in Appendix C for the facts and data used to evaluate the bank's level of qualified investments.

During the evaluation period, CNBT made three community development investments totaling approximately \$2.7 million and has total investments (current and prior period) of \$6.3 million. The bank also has an unfunded commitment to an affordable housing corporation of approximately \$1.1 million. In addition to investments, CNBT made donations totaling \$275,500 to 47 local community development organizations during the evaluation period. Current and prior period investments had a positive impact on the AA.

During the evaluation period, CNBT invested \$1.9 million in a Government National Mortgage Association (GNMA) security which consists of a pool of affordable housing mortgage loans for low- and moderate-income households within the AA. The bank also increased its investment from \$600M to \$1.2 million in a fund that supports community development activities such as low-income housing, affordable healthcare, and job training for those with low-and moderate-incomes. Additionally, approximately \$200,000 was invested in a local community development credit union program dedicated to homeownership assistance.

CNBT continues to be an investor in a small business investment company (SBIC), which began in 1997. The bank's outstanding balance was \$1.55 million as of the examination date. The investment continues to have a positive impact on the AA as total investments and loans by the SBIC exceeded \$6.2 million during the evaluation period. The investment supports the SBIC's revolving loan activity, which provides funding to small businesses that are creating and retaining jobs in the AA, including jobs for people of low -and moderate-income. The SBIC is able to obtain Small Business Administration (SBA) funding equal to three times the invested capital of its investors.

CNBT also continues to invest in an organization that provides affordable housing for low- and moderate-income families throughout New York State and New Jersey. The bank's investment in this program increased approximately \$370,000 to \$911,000 since the last evaluation. The unfunded commitment for this program was reduced to \$1.1 million.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated "Low Satisfactory." Based on full-scope reviews, the bank's performance in the Rochester MSA is adequate.

Retail Banking Services

Refer to Table 15 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.

CNBT's delivery systems are reasonably accessible to census tracts and individuals of different income levels throughout the full-scope AA. The distribution of CNBT's offices in low- and moderate-income census tracts is lower than the distribution of the population living in these census tracts. The bank has one branch in a low-income census tract and one branch in a moderate-income census tract. There are also two banking offices located in middle-income census tracts that are adjacent to and reasonably accessible to some moderate-income census tracts.

The bank's Main Office branch is convenient to residents of the moderate-income geography in the City of Canandaigua. The moderate income geography (census tract #0511) is located across the street from the Main Office and is within walking distance for most residents of census tract #0511. The bank's Alexander Park office likewise is located across the street from two adjacent moderate-income census tracts (census tracts #30 and #93.02) in the City of Rochester and is considered reasonably accessible.

In addition, the Lakeshore bank office offers Saturday and Sunday hours which are also accessible to the moderate-income census tract in the City of Canandaigua through available public transportation. Community contacts identified the lack of branch accessibility in the Rochester City region and the need for expanded delivery systems especially among low- to moderate-income census tracts.

Since the last evaluation, the branch network increased by two offices. Both of the new offices are in middle-income census tracts.

CNBT's hours and services offered throughout the full-scope AAs are good. Services offered are comparable among locations regardless of the income level of the census tract. The majority of branch offices offer extended hours on various days of the week. Most branches offer Saturday hours and two branches are open on Sundays.

Many of the bank's ATMs are accessible to low- and moderate-income individuals based on their proximity to low- and moderate-income census tracts in the AA and available public transportation. CNBT offers alternative delivery systems in the form of automated teller machines (ATMs). 45 of the bank's 46 ATMs are located within the AA. Of the bank's 45 ATMs within the AA, 29 are on-site and 16 are located off-site. Twenty-three ATMs accept deposits and these are all at on-site locations. Six ATMs are located in low-or moderate-income census tracts. Two on-site ATMs at the Lakeshore branch and one off-site ATM in

Canandaigua are located in moderate-income census tracts. The bank has two off-site ATMs located in low-income census tracts at the Rochester Regional Transit Service building, Strong Museum in Manhattan Square Park and one on-site ATM (cash dispensing only) located in the Geneva trust office. In addition, there is an ATM located at Rank's IGA store. While this ATM is located in a middle-income census tract, it is within close proximity of a moderate-income census tract and because it is the only IGA store in downtown Rochester it provides convenient access for all residents.

Customers and non-customers can access their accounts through CNBT ATMs which are connected to the CIRRUS, NYCE, PLUS, MasterCard, Visa, Amex, Pulse/Honor, and Discover ATM systems. Customers may also use their CNBT card for ATM and POS transactions at all non-proprietary ATMs and POS worldwide that bear these network logos. The bank also provides rebates up to four ATM fees charged at non-bank locations each statement cycle depending on the customer's account type.

The bank also offers alternative delivery systems for retail banking including the Customer Call Center, CNB Banker Voice Telephone Banking, CNBT Online banking, CNBT Online Banking for Business, CNBT Bill pay and Text Teletypewriter (TTY) for the deaf and hearing impaired. The bank also offers WorkPlaceBanking service to many companies that employ low to moderate income employees that would not be able to get into the bank to access services. The bank has over 400 such relationships, many in challenged areas. Bank data indicates approximately 5% of the transactions for the various alternative delivery systems originate in low- and moderate-income census tracts.

Recipients (customer or non-customer) of New York State Public Assistance through the Electronic Benefits Transfer Program (EBT) can withdraw funds from any CNBT ATM free of charge.

Community Development Services

The bank's performance in providing community development services is good within the Rochester MSA.

During the evaluation period, in the Rochester MSA, 28 officers and employees provided technical services and support to 40 qualified community development organizations. Personnel are members of the boards of directors, finance committees and loan committees of organizations that provide community development services. The organizations support affordable housing and community services targeted towards low- and moderate-income individuals, and support economic development by financing small businesses. CNBT is also involved in several financial literacy and credit education programs targeted towards low- and moderate-income individuals in both the general public and local school districts.

The bank participates in the Federal Home Loan Bank's Affordable Housing Grant Program. The bank's role in this program is to act as a conduit for grant funding made available by the FHLB for qualified lower income housing projects within the AA. As a FHLB member, CNBT sponsors requests for funding made by local developers and administers the disbursement of funds as work is completed for approved projects. Four projects under this program have been approved to date, and the bank is currently servicing two of those projects.

Appendix A: Scope of Examination

Time Period Reviewed	Lending Test (excludes CD Loans): (01/01/08 to 12/31/10) Investment and Service Tests and CD Loans: (04/10/08 to 08/07/11)	
Financial Institution	Products Reviewed	
The Canandaigua National Bank and Trust Company (CNBT) Canandaigua, New York	Home Purchase Loans, Home Improvement loans, Home Refinance Loans, Small Business loans, Community Development loans	
Affiliate(s)	Affiliate Relationship	Products Reviewed
CNB Mortgage Company (CNBTMC)* * became a bank subsidiary in June 2010.	Mortgage company	Home purchases, Home refinances
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Rochester MSA # 40380	Full-Scope	

Appendix B: Market Profiles for Full-Scope Areas

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”).

Rochester NY MSA

Demographic Information for Full Scope Area: Rochester MSA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	200	19.00	17.50	37.00	25.00	1.50
Population by Geography	797,616	11.23	13.44	42.07	32.83	0.43
Owner-Occupied Housing by Geography	205,360	4.65	10.54	45.67	39.15	0.00
Business by Geography	51,813	11.74	13.48	40.48	34.21	0.09
Farms by Geography	1,312	2.06	5.87	53.05	39.02	0.00
Family Distribution by Income Level	202,926	20.03	17.55	21.93	40.49	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	76,263	20.87	19.33	41.52	18.29	0.00
Median Family Income		53,852	Median Housing Value		98,426	
HUD Adjusted Median Family Income for 2010		66,600	Unemployment Rate (June 2011		7.5%	
Households Below Poverty Level		11%	Department of Labor Statistic)			

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

Source: 2000 U.S. Census, 2011 Department of Labor Statistics and 2010 HUD updated MFI.

The bank’s AA includes portions of the Rochester MSA. CNBT’s AA is concentrated in four counties in the Finger Lakes region of upstate New York. The AA includes all of Ontario County (Bristol, Canandaigua, East Bloomfield, Farmington, Gorham, Hopewell, Manchester, Naples, Phelps, Richmond, Victor, and West Bloomfield), towns along the western border of Wayne County (Macedon, Ontario, and Walworth), towns along the eastern border of Livingston County (Lima and Livonia) and all of Monroe County except for the towns in the western and southwestern part of the county (towns excluded are Hamlin, Sweden, Clarkson, Parma, Ogden, Riga, Wheatland, and Rush). One hundred percent of the bank’s deposits are located in the assessment area and according to FDIC June 2010 deposit market share reports, CNBT ranks fourth in the area with 10.3% deposit market share. HSBC ranks first in deposit market share with 22.6% of deposits, M&T Trust Co. ranks second with 19.2% of deposits, and RBS Citizens NA ranks third with 11.1% of deposits.

The competition among financial service providers is strong. CNBT competes with large regional banks, large credit unions and various community and savings banks. CNBT is a full service lender offering a broad menu of lending products that include business loans, home mortgage loans through its affiliate CNBT Mortgage, home equity loans, and consumer loans. The bank’s business focus is primarily on retail and commercial lending.

The assessment area consists of 19% low-income geographies, 18% moderate-income geographies, 37% middle-income geographies and 25% upper-income geographies. As of the 2000 Census, 11% of the population lives below the poverty level. The unemployment rate in Rochester was 7.5% according to the June 2011 New York State DOL statistics. Major employers in the area include the University of Rochester, Ontario County Government, Wegman's Food Market, Eastman Kodak Company and Xerox Corporation. Rochester has had below average subprime mortgage exposure and housing prices have only modestly appreciated. Housing remains affordable in the area, but community contacts mentioned the significant number of foreclosures that have occurred in the region. Outside of New York City and Long Island, Monroe County has the highest number of foreclosures in New York State. The Rochester area has been heavily dependent on a now declining manufacturing industry, but Rochester is moving towards developing itself as a high-technology corridor (especially Ontario County) and continues to provide incentives to attract new businesses.

Eighty-four percent of the housing in the AA is one-to-four family units and 16% is multi-family housing units. Of total housing units, 62% is owner-occupied, 32% is renter-occupied, and 6% is vacant. The weighted average of median housing value was \$98,426 in 2000. Housing stock consists mostly of older homes with the median year built of 1959 and many are in need of repair.

According to the 2010 business demographics, there are 48,591 businesses in the AA, of which 3% are farms. Within the AA, 76% of non-farm businesses had revenues less than \$1 million, 5% had revenues over \$1 million and 29% of business had unknown revenues. Approximately 78% of businesses reported having less than ten employees. The top three industries in the AA are services (representing 51% of Rochester industries), retail trade (representing 14%) and construction (representing 8%). According to community contacts, there are a number of community development opportunities available in the AA.

Two community contacts were made in Monroe County in conjunction with this review. Smaller and micro-sized loans were identified as a need among businesses so that businesses can obtain funding at a reasonable cost for working capital, equipment loans, and other business related purposes. Another primary credit need is affordable housing and rehabilitation. While housing prices have not changed significantly, housing assistance is still needed for low and moderate income individuals and the housing stock is significantly old and in need of repair.

Appendix C: Tables of Performance Data

Content of Standardized Tables

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 MA/assessment area. Community development loans to statewide or regional entities or made outside the bank's assessment area may receive positive CRA consideration. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories. **Table not included.**
- 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 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 Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. **Table not included.**
- Table 6. 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 share information based on the most recent aggregate market data available. Because small business 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 7. 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 share information based on the most recent aggregate market data available. Because 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 not included.**
- Table 8. 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 MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. 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. 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 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) 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. 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 not included.**
- Table 13. 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 households 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 MA/assessment area. **Table not included.**

Table 14. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MA/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 be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

Table 15. 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 MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Table 1. Lending Volume

Institution ID: CANANDAIGUA NATIONAL BANK (Included)

LENDING VOLUME		Geography: ROCHESTER MSA				Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2010						
MA/Assessment Area (2007):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:												
Rochester MSA	100	4,553	630,627	2,390	183,736	24	1,090	23	7,551	6,990	822,974	100.00

* Loan Data as of December 31, 2010. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from April 10, 2008 to August 8, 2011.

*** Deposit Data as of June 30, 2010. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Institution ID: CANANDAIGUA NATIONAL BANK (Included)

Geographic Distribution: HOME PURCHASE		Geography: ROCHESTER MSA				Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31, 2007					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans					
Full Review:															
Rochester MSA	2,022	100	4.65	3.07	10.54	13.90	45.67	40.80	39.15	42.24	9.35	13.42	11.19	8.19	10.03

* Based on 2009 Peer Mortgage Data (USPR)

** Home purchase loans originated in the MA/AA as a percentage of all home purchase loans originated in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Institution ID: CANANDAIGUA NATIONAL BANK (Included)

Geographic Distribution: HOME IMPROVEMENT		Geography: ROCHESTER MSA				Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31, 2007					Market Share (%) by Geography				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans					
Full Review:															
Rochester MSA	449	100	4.65	1.49	10.54	6.32	45.67	62.08	39.15	30.11	3.93	0.00	2.63	4.81	3.38

* Based on 2009 Peer Mortgage Data (USPR)

** Home improvement loans originated in the MA/AA as a percentage of all home improvement loans originated in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Institution ID: CANANDAIGUA NATIONAL BANK (Included)

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: ROCHESTER MSA				Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31, 2007					Market Share (%) by Geography [*]				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total ^{**}	% Owner Occ Units ^{***}	% BANK Loans ^{****}	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans						
Full Review:																
Rochester MSA	2,227	100	4.65	2.51	10.54	7.63	45.67	40.32	39.15	49.53	12.76	11.34	14.20	12.36	12.93	

^{*} Based on 2009 Peer Mortgage Data (USPR)

^{**} Home refinance loans originated in the MA/AA as a percentage of all home refinance loans originated in the rated area.

^{***} Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

^{****} Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Institution ID: CANANDAIGUA NATIONAL BANK (Included)

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: ROCHESTER MSA				Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31, 2007					Market Share (%) by Geography*				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans					
Full Review:															
Rochester MSA AA	35	100	18.01	34.29	18.91	20.00	39.67	42.86	23.41	2.86	41.67	60.00	42.86	46.15	0.00

* Based on 2009 Peer Mortgage Data (USPR)

** Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

*** Percentage of Multifamily Units is the number of multi family units in a particular geography divided by the number of multi family housing units in the area based on 2000 Census information.

**** Multi family loan distribution includes Home Purchase, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Institution ID: CANANDAIGUA NATIONAL BANK (Included)

Geographic Distribution: SMALL LOANS TO BUSINESSES															Geography: ROCHESTER MSA					Evaluation Period: APRIL 10, 2008 TO DECEMBER 31, 2010				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography [*]													
	#	% of Total ^{**}	% of Businesses ^{***}	% BANK Loans	% of Businesses ^{***}	% BANK Loans	% of Businesses ^{***}	% BANK Loans	% of Businesses ^{***}	% BANK Loans	Overall	Low	Mod	Mid	Upp									
Full Review:																								
Rochester MSA	2,390	100	10.30	9.29	12.98	13.22	40.65	38.87	35.95	38.62	5.83	8.66	6.46	5.26	6.10									

^{*} Based on 2009 Peer Small Business Data -- US and PR

^{**} Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

^{***} Source Data - Dun and Bradstreet (2007).

Table 7. Geographic Distribution of Small Loans to Farms

Institution ID: CANANDAIGUA NATIONAL BANK (Included)

Geographic Distribution: SMALL LOANS TO FARMS															Geography: ROCHESTER MSA					Evaluation Period: APRIL 10, 2008 TO DECEMBER 31, 2010				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography [*]													
	#	% of Total ^{**}	% of Businesses ^{***}	% BANK Loans	% of Businesses ^{***}	% BANK Loans	% of Businesses ^{***}	% BANK Loans	% of Businesses ^{***}	% BANK Loans	Overall	Low	Mod	Mid	Upp									
Full Review:																								
Rochester MSA	24	100	1.42	0.00	6.11	0.00	55.07	70.83	37.41	29.17	1.35	0.00	0.00	1.17	2.33									

^{*} Based on 2009 Peer Small Business Data -- US and PR

^{**} Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

^{***} Source Data - Dun and Bradstreet (2010).

Table 8. Borrower Distribution of Home Purchase Loans

Institution ID: CANANDAIGUA NATIONAL BANK (Included)

Borrower Distribution: HOME PURCHASE		Geography: ROCHESTER MSA					Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2010					Market Share [*]				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total ^{**}	% Families [*] **	% BANK Loans ^{****}	% Families [*] 1	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}						
Full Review:																
Rochester MSA	2,022	100.00	20.03	10.35	17.55	25.31	21.93	24.52	40.49	39.82	9.45	7.82	8.30	9.60	11.21	

^{*} Based on 2009 Peer Mortgage Data (USPR)

^{**} As a percentage of loans with borrower income information available. No information was available for 0.9% of loans originated and purchased by bank.

^{***} Percentage of Families is based on the 2000 Census information.

^{****} Home purchase loans originated in the MA/AA as a percentage of all home purchase loans originated in the rated area.

¹ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 9. Borrower Distribution of Home Improvement Loans

Institution ID: CANANDAIGUA NATIONAL BANK (Included)

Borrower Distribution: HOME IMPROVEMENT		Geography: ROCHESTER MSA								Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2010					
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share [*]				
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ²	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	Overall	Low	Mod	Mid	Upp
Full Review:															
Rochester MSA	269	100	20.03	17.84	17.55	23.79	21.93	29.74	40.49	28.62	3.96	6.16	4.01	4.05	2.88

^{*} Based on 2009 Peer Mortgage Data (USPR)

^{**} As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

^{***} Percentage of Families is based on the 2000 Census information.

^{****} Home improvement loans originated in the MA/AA as a percentage of all home improvement loans originated in the rated area.

² Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Institution ID: CANANDAIGUA NATIONAL BANK (Included)

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: ROCHESTER MSA					Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2010					Market Share [*]				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ³	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}						
Full Review:																
Rochester MSA	2,227	100	20.03	4.06	17.55	15.53	21.93	22.35	40.49	58.06	13.31	6.90	10.34	11.68	16.10	

^{*} Based on 2009 Peer Mortgage Data (USPR)

^{**} As a percentage of loans with borrower income information available. No information was available for 0.5% of loans originated and purchased by bank.

^{***} Percentage of Families is based on the 2000 Census information.

^{****} Home refinance loans originated in the MA/AA as a percentage of all home refinance loans originated in the rated area.

³ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 11. Borrower Distribution of Small Loans to Businesses

Institution ID: CANANDAIGUA NATIONAL BANK (Included)

Borrower Distribution: SMALL LOANS TO BUSINESSES									
Geography: ROCHESTER MSA					Evaluation Period: JANUARY 1, 2008 TO DECEMBER 31, 2010				
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share [*]	
	#	% of Total ^{**}	% of Businesses ^{***}	% BANK Loans ^{****}	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Rochester MSA	2,390	100	75.72	49.92	82.55	10.21	7.24	5.83	10.64

^{*} Based on 2009 Peer Small Business Data -- US and PR

^{**} Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

^{***} Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2010).

^{****} Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 12.52% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Institution ID: CANANDAIGUA NATIONAL BANK (Included)

Borrower Distribution: SMALL LOANS TO FARMS		Geography: ROCHESTER MSA			Evaluation Period: JANUARY 1, 2005 TO DECEMBER 31, 2007				
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share [*]	
	#	% of Total ^{**}	% of Farms ^{***}	% BANK Loans ^{****}	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Rochester MSA	24	100.00	96.05	62.50	87.50	12.50	0.00	1.35	1.32

^{*} Based on 2009 Peer Small Business Data -- US and PR

^{**} Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

^{***} Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2010).

^{****} Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

Institution ID: CANANDAIGUA NATIONAL BANK (Included)

QUALIFIED INVESTMENTS		Geography: ROCHESTER			Evaluation Period: APRIL 10, 2008 TO AUGUST 8, 2011				
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Rochester MSA	4	\$3,239	50	3,024	7	\$6,263	100%	1	\$1,119

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

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

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

Institution ID: CANANDAIGUA NATIONAL BANK (Included)

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: ROCHESTER Evaluation Period: April 10,2008 TO August 8, 2011																	
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Rochester	100	23	100	4.35	4.35	48.00	43.30	2	0	0		2		11.23	13.44	42.07	32.83