



NEW YORK STATE BANKING DEPARTMENT
CONSUMER SERVICES DIVISION
One State Street
New York, NY 10004

PUBLIC SUMMARY

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Date of Evaluation: December 31, 2009

Institution: Tompkins Trust Company
110 North Tioga Street
Ithaca, NY 14850-4371

Note: This evaluation is not an assessment of the financial condition of this institution. The rating assigned does not represent an analysis, conclusion or opinion of the New York State Banking Department concerning the safety and soundness of this financial institution.

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GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act (“CRA”) performance of Tomkins Trust Company (“TTC”) prepared by the New York State Banking Department. The evaluation represents the Banking Department’s current assessment and rating of the institution’s CRA performance based on an evaluation conducted as of December 31, 2009.

Section 28-b of the New York State Banking Law, as amended, requires that when evaluating certain applications, the Superintendent of Banks shall assess a banking institution’s record of helping to meet the credit needs of its entire community, including low- and moderate-income (“LMI”) areas, consistent with safe and sound operations.

Part 76 of the General Regulations of the Banking Board implements Section 28-b and further requires that the Banking Department assess the CRA performance records of regulated financial institutions. Part 76 establishes the framework and criteria by which the Department will evaluate the performance. Section 76.5 further provides that the Banking Department will prepare a written report summarizing the results of such assessment and will assign to each institution a numerical CRA rating based on a 1 to 4 scoring system. The numerical scores represent an assessment of CRA performance as follows:

- (1) Outstanding record of meeting community credit needs;
- (2) Satisfactory record of meeting community credit needs;
- (3) Needs to improve record of meeting community credit needs; and
- (4) Substantial noncompliance in meeting community credit needs.

Section 76.5 further requires that the CRA rating and the written summary be made available to the public (“Evaluation”). Evaluations of large banking institutions are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Sections 76.8 – 76.10. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York State Banking Law.

For an explanation of technical terms used in this report, please consult the **GLOSSARY** at the back of this document.

OVERVIEW OF INSTITUTION'S PERFORMANCE

TCC's performance was evaluated according to the large bank performance criteria pursuant to Part 76.12 of the General Regulations of the Banking Board. This assessment period included calendar years 2007, 2008 and 2009. TCC is rated "1," indicating an "**Outstanding**" record of helping to meet community credit needs.

This rating is based on the following factors:

Lending Test – "Outstanding"

- TTC's lending levels reflected excellent responsiveness to assessment area credit needs considering its size, business strategy and financial condition, as well as peer group activity and demographics.
- During the evaluation period, TTC originated 92% by number, and 91% by dollar value of the total HMDA-reportable and small business loans within its assessment area. This substantial majority of lending inside of its assessment area is an "Outstanding" record of lending. TTC's concentration rates were consistent over the evaluation period.
- The distribution of HMDA-reportable loans based on the income level of the geography demonstrated a good penetration rate of lending. The distribution of small business loans based on the income level of the geography demonstrated an excellent penetration rate of lending.
- The TTC's HMDA-reportable loans demonstrated an excellent penetration rate of lending among individuals of different income levels. The distribution of small business loans, based on the revenue size of the business, demonstrated an excellent penetration rate of lending among individuals of different income levels and businesses of different revenue sizes.
- During the evaluation period, TTC originated \$19.8 million in new community development loans, and still had \$2.98 million outstanding from prior evaluation periods. The total qualified community development loans of \$22.8 million represented a substantial increase from \$8.1 million reported at the prior evaluation period, and demonstrated an excellent level of community development lending over the course of the evaluation period.
- TTC makes extensive use of innovative or flexible lending practices in serving the credit needs of the community. TTC is proactive in supporting affordable housing programs and services to the community it serves.

Investment Test: "Outstanding"

TTC's community development investments were more than reasonable in light of the assessment area's credit needs.

During the evaluation period, TTC made \$20.3 million in new community development investments, \$1.4 million in grants, and still had \$4.1 million in community development investments outstanding from prior evaluation periods. The total qualified investments amounted \$25.8 million, a significant increase from the \$4.4 million at prior evaluation. This demonstrated an excellent level of community development investments and grants over the course of the evaluation period.

TTC made extensive use of innovative and/or complex investments to support community development.

TTC's community development investments exhibited excellent responsiveness to credit and community development needs.

Service Test: "Outstanding"

TTC had and continues to have an excellent delivery systems, branch network, branch hours and services, and alternative delivery systems.

TTC provided a relatively high level of community development services in its assessment area. It participates in various activities that help LMI individuals and promotes small businesses in the assessment area.

This evaluation was conducted based on a review of the 12 assessment factors set forth in Section 28-b of the New York State Banking Law and Part 76 of the General Regulations of the Banking Board.

PERFORMANCE CONTEXT

Institution Profile:

Tompkins Trust Company (TTC) is a commercial bank located in Ithaca, New York. Its predecessor, Ithaca Trust Company was chartered in 1891 and has gone through a number of mergers and acquisitions in 1935 and 1936, and later changed its name to Tompkins Trust Company in 2001.

TTC is a wholly owned subsidiary of Tompkins Trustco, Inc. (Tompkins), a bank holding company headquartered in Ithaca, New York. Tompkins has two other banking subsidiaries: The bank of Castile and The Mahopac National Bank, and a wholly-owned insurance subsidiary, Tompkins Insurance Agencies, Inc.

As per the Consolidated Report of Condition (the Call Report) as of December 31, 2009, filed with the Federal Deposit Insurance Corporation ("FDIC"), TTC reported total assets of \$1.5 billion, of which \$778 million were net loans and lease finance receivables. It also reported total deposits of \$1.1 billion, resulting in a loan-to-deposit ratio of 71%. According to the latest available comparative deposit data as of December 31, 2009, TTC obtained a market share of 32.2%, or \$1,039 million out of \$3,236 million inside its market, ranking it 1st among 18 deposit-taking institutions in the assessment area.

The following is a summary of TTC's loan portfolio, based on Schedule RC-C of the bank's December 31, 2007, 2008 and December 31, 2009 Call Reports:

TOTAL GROSS LOANS OUTSTANDING						
Loan Type	2007		2008		2009	
	\$000's	%	\$000's	%	\$000's	%
1-4 Family Residential Mortgage Loans	270,957	42.4	303,571	39.5	298,407	37.9
Commercial & Industrial Loans	105,618	16.5	110,428	14.4	112,618	14.3
Commercial Mortgage Loans	138,099	21.6	182,819	23.8	206,705	26.3
Multifamily Mortgages	29,300	4.6	44,126	5.7	48,328	6.1
Consumer Loans	60,988	9.5	68,956	9.0	71,467	9.1
Agricultural Loans	334	0.1	6,299	0.8	2,456	0.3
Construction Loans	12,764	2.0	23,501	3.1	19,541	2.5
Farm Land Loans	4,693	0.7	7,153	0.9	3,548	0.5
Obligations of States & Municipalities	2,677	0.4	5,765	0.8	10,625	1.3
Other Loans	3,853	0.6	2,099	0.3	1,845	0.2
Lease financing	9,685	1.5	13,609	1.8	11,785	1.5
Total Gross Loans	638,968	100.0	768,326	100.0	787,325	100.0

As illustrated in the above chart, TTC is primarily a residential real estate lender, with 37.9% of its loan portfolio in residential real estate as of December 31, 2009. The remainder of the loan portfolio primarily consists of commercial real estate loans (14.3%), commercial and industrial loans (26.3%), consumer loans (9.1%) and multifamily loans (6.1%).

TTC provides traditional banking and related financial services, which constitute the bank's only reportable business segment. Banking services consist primarily of attracting deposits from the areas served by the company's banking subsidiaries and using those deposits to originate a variety of commercial loans, consumer loans, real estate loans and leases in those same areas.

Financial services are offered through its network of 15 branches located throughout its assessment area; including 12 in Tompkins and 1 in each of the counties of Schuyler, Cayuga and Cortland. TTC has automatic teller machines ("ATMs") in 13 of these branch offices, as well as 14 offsite locations.

Four ATM's located off-site offer full service and the rest only dispense cash. Out of the 15 branches 20 percent (3) located in upper income level area, 53 percent (8) in middle and 27 percent (4) in moderate income level area.

Previous Community Reinvestment Act evaluation of TTC, conducted by the New York State Banking Department as of December 31, 2006, resulted in a rating of "1," reflecting TTC's outstanding record of helping to meet community credit needs.

There are no known financial or legal impediments that adversely impacted TTC's ability to meet the credit needs of its community.

Assessment Area:

TTC's assessment area expanded from 37 census tracts at prior evaluation to 60 census tracts at the current evaluation. It is comprised of the entirety of Tompkins, Cayuga, Cortland , and Schuyler counties. Tompkins County is located In the Metropolitan Statistical Area ("MSA") 27060, Cayuga, Schuyler and Cortland counties are not located in any metropolitan area.

Out of the 60 census tracts in the area, 6 (10%) are moderate-income, 44 (73%) are middle-income, 9 (15%) are upper-income and 1(2%) is tracts with no income indicated.

Assessment Area Census Tracts by Income Level								
County	N/A	Low	Mod	Middle	Upper	Total	LMI %	LMI & Dis-tressed %
Cayuga	1	0	1	14	4	20	5.0	5%
Cortland	0	0	0	10	2	12	0.0	0%
Schuyler	0	0	0	5		5	0.0	0%
Tompkins	0	0	5	15	3	23	21.7	22%
Total	1	0	6	44	9	60	10.0	10%

The assessment area appears reasonable based upon the location of TTC's offices and its lending patterns. There is no evidence that LMI areas have been arbitrarily excluded.

Demographic & Economic Data

The assessment area had a population of 246 thousand during the examination period. About 12.2% of the population were over the age of 65 and 19.6% were under the age of 16.

Of the 57,149 families in the assessment area, 18% were low-income, 17.5% were moderate-income, 23.8% were middle-income and 40.7% were upper-income families. There were 92,677 households in the assessment area, of which 14.0% had income below the poverty level and 2.5% were on public assistance.

The MSA median family income within the assessment area was \$46 thousand. The U.S. Department of Housing and Urban Development ("HUD") estimated median family income for the area was \$61 thousand in 2009.

There were 103,399 housing units within the assessment area, of which 76% were one- to four-family units, and 13% were multifamily units. A majority (57 %) of the area's housing units were owner-occupied, while 32% were rental units. Of the 58,997 owner-occupied housing units, 2.9% were in moderate-income geographies while 82.6% were in middle-income tracts. The median age of the housing stock was 52 years and the median home value in the assessment area was \$87 thousand.

There were 16,871 non-farm businesses in the assessment area. Of these, 74.4% were businesses with reported revenues of less than or equal to \$1 million, 4.1% reported revenues of more than \$1 million and 21.5% did not report their revenues. Of all the businesses in the assessment area, 85.3% were businesses with less than fifty employees while 88.9% operated from a single location. The largest industries in the area were Services (47.3%), followed by Retail Trade (14.7%) and

Construction (6.6%), while 8% of businesses in the assessment area were not classified.

According to the New York State Department of Labor, the unemployment rate for New York State for year 2007, 2008 and 2009 were 4.5%, 5.3% and 8.4% respectively. Of the four counties that comprise TTC's assessment area, Tompkins County had the lowest (5.8%) unemployment rate and Cortland County (9.1%) had an average unemployment rates higher than NY State's in 2009.

Assessment Area Unemployment Rate					
	NYS	Cayuga	Cortland	Schuyler	Tompkins
2007	4.5	4.5	5.2	5	3.4
2008	5.3	5.5	6.3	5.7	4.1
2009	8.4	8.3	9.1	8.4	5.8

Community Information

The community organization we contacted, for this evaluation period, was Ithaca Neighborhood Housings Services Inc., a nonprofit organization. Its mission is to revitalize Ithaca's neighborhoods, encourage stability and diversity, and to assist low and moderate income people to obtain quality affordable housing. The executive director of the organization noted that one of the primary concern's is the difficulty encountered by LMI individual living in the assessment area to get qualified given the strict underwriting criteria imposed by banks due to the current economic climate.

PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

TTC was evaluated under the large banking institution's performance standards in accordance with Parts 76.8, 76.9 and 76.10 of the General Regulations of the Banking Board. TTC's performance was evaluated according to the large bank performance criteria, which consists of the lending, investment and service tests. The following factors were also considered in assessing the bank's record of performance: the extent of participation by the board of directors or board of trustees in formulating CRA policies and reviewing CRA performance; any practices intended to discourage credit applications, evidence of prohibited discriminatory or other illegal credit practices; record of opening and closing offices and providing services at offices; and process factors, such as activities to ascertain credit needs and the extent of marketing and special credit related programs. Finally, the evaluation considered other factors as delineated in Section 28-b of the Banking Law that reasonably bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community.

Statistics employed in this evaluation were derived from various sources. Bank-specific information was submitted by the bank both as part of the examination process and on its Call Report submitted to the Federal Deposit Insurance Corporation ("FDIC"). Aggregate lending data were obtained from the Federal Financial Institutions Examination Council ("FFIEC") and deposit data were obtained from the FDIC. Loan-to-deposit ratios were calculated from information shown in the bank's Uniform Bank Performance Report ("UBPR") as submitted to the FDIC.

The demographic data referred to in this report were derived from the 2000 U.S. Census and the U.S. Department of Housing and Urban Development ("HUD"). Business demographic data used in this report provide information on US businesses, enhanced by Dun & Bradstreet reports and updated annually. Unemployment data were obtained from the New York State Department of Labor. Some non-specific bank data are only available on a county-wide basis, and were used even where the institution's assessment area includes partial counties.

The assessment period included calendar years 2007, 2008 and 2009.

Examiners considered TTC's small business, and HMDA-reportable loans in evaluating factors (2), (3) and (4) of the lending test as noted below.

As TTC made a very few small farm loans, all analyses was based on small business lending only.

TTC received a rating of "1", reflecting an "Outstanding" record of helping to meet community credit needs at its **prior** Performance Evaluation, conducted by the New York State Banking Department as of December 31, 2006.

Current CRA Rating: “Outstanding”

LENDING TEST: “Outstanding”

The bank’s lending performance was evaluated pursuant to the following criteria: (1) Lending Activity; (2) Assessment Area Concentration; (3) Geographic Distribution of Loans; (4) Borrower Characteristics; (5) Community Development Lending and (6) Flexible and/or Innovative Lending Practices.

Lending Activity: “Outstanding”

TTC’s lending levels reflected excellent responsiveness to assessment area credit needs considering its size, business strategy and financial condition, as well as peer group activity and demographics.

During the evaluation period, TTC originated 3,104 loans, of which 63.4% were HMDA-reportable loans and 36.6% were small business loans.

According to the Institution Market Share Report, TTC ranked 2nd among 183 and 155 HMDA lenders in 2007 and 2008 respectively, within its assessment area. TTC obtained a market share of 8.4% and 11.3% in 2007 and 2008, respectively. The rankings and market share were based on the number of loans originated. The 2009 Market Share Report was not available.

Based on the 2007 and 2008 Market Share Report for small business loans, TTC was ranked 7th among 44 and 45 lenders respectively, reporting small business loan data in its assessment area. TTC obtained a market share of 5.2% and 5.6% in 2007 and 2008, respectively. The rankings and market share were based on the number of loans originated. The 2009 Market Share Report was not available.

Assessment Area Concentration: “Outstanding”

During the evaluation period, TTC originated 92% by number, and 91% by dollar value of the total HMDA-reportable and small business loans within its assessment area. This substantial majority of lending inside of its assessment area is an “Outstanding” record of lending. TTC’s concentration rates were consistent over the evaluation period.

HMDA-Reportable Loans: “Outstanding”

During the evaluation period, for HMDA-reportable lending, TTC originated 91.7% by number, and 91.2% by dollar value of its loans within the assessment area. This substantial majority of lending inside of its assessment area is an outstanding record of lending.

Small Business Loans: “Outstanding”

During the evaluation period, for small business lending, TTC originated 93% by number, and 90.6% by dollar value of its loans within the assessment area. This substantial majority of lending inside of its assessment area is an outstanding record of lending.

The following table shows the percentages of TTC’s small business and HMDA-reportable loans originated inside and outside of the assessment area

Distribution of Loans Inside and Outside of the Assessment Area										
Loan Type	Number of Loans					Loans in Dollars (in thousands)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
HMDA-Reportable										
2007	503	90.1%	55	9.9%	558	60,229	91.0%	5,922	9.0%	66,151
2008	520	91.9%	46	8.1%	566	88,852	88.4%	11,697	11.6%	100,549
2009	782	92.5%	63	7.5%	845	124,583	93.3%	8,894	6.7%	133,477
Subtotal	1,805	91.7%	164	8.3%	1,969	273,664	91.2%	26,513	8.8%	300,177
Small Business										
2007	399	91.5%	37	8.5%	436	52,499	87.5%	7,487	12.5%	59,986
2008	350	93.6%	24	6.4%	374	45,554	91.5%	4,222	8.5%	49,776
2009	307	94.5%	18	5.5%	325	42,003	93.6%	2,873	6.4%	44,876
Subtotal	1,056	93.0%	79	7.0%	1,135	140,056	90.6%	14,582	9.4%	154,638
Grand Total	2,861	92.2%	243	7.8%	3,104	413,720	91.0%	41,095	9.0%	454,815

Geographic Distribution of Loans: “High Satisfactory”

The distribution of loans based on lending in census tracts of varying income levels demonstrated a good penetration rate of lending.

HMDA-Reportable Loans: “High Satisfactory”

The distribution of HMDA-reportable loans based on the income level of the geography demonstrated a good penetration rate of lending.

In 2007 and 2008, TTC’s LMI tract penetration rates were 7.4% and 8.7% by number of loans, and 13.2% and 15.6% by dollar volume, respectively; the LMI penetration rates outperformed the corresponding market aggregate rates of 3.7% and 3.9% by number of loans, and 5% and 7.7% by dollar volume respectively. In 2009, the LMI tract penetration decreased to 6.4% by number of loans and 9% by dollar amount. The 2009 market aggregate rate was not available for comparison.

The following chart provides a summary of the TTC’s HMDA-reportable lending distribution based on the income level of the geography.

Distribution of HMDA-Reportable Lending by Geographic Income of the Census Tract									
2007									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Moderate	37	7.4%	7,974	13.2%	222	3.7%	28,367	5.0%	2.9%
LMI	37	7.4%	7,974	13.2%	222	3.7%	28,367	5.0%	2.9%
Middle	404	80.3%	41,929	69.6%	4,916	82.3%	436,937	77.1%	82.6%
Upper	62	12.3%	10,326	17.1%	832	13.9%	101,187	17.9%	14.6%
Unknown	0	0.0%	0	0.0%	1	0.0%	196	0.0%	0.0%
Total	503	100.0%	60,229	100.0%	5,971	100.0%	566,687	100.0%	100.0%
2008									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Moderate	45	8.7%	13,790	15.5%	176	3.9%	39,724	7.7%	2.9%
LMI	45	8.7%	13,790	15.5%	176	3.9%	39,724	7.7%	2.9%
Middle	402	77.3%	53,942	60.7%	3,775	82.7%	379,645	73.7%	82.6%
Upper	73	14.0%	21,120	23.8%	615	13.5%	95,925	18.6%	14.6%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Total	520	100.0%	88,852	100.0%	4,566	100.0%	515,294	100.0%	100.0%
2009									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	Not Available				0.0%
Moderate	50	6.4%	11,247	9.0%					2.9%
LMI	50	6.4%	11,247	9.0%					2.9%
Middle	595	76.1%	85,555	68.7%					82.6%
Upper	137	17.5%	27,781	22.3%					14.6%
Unknown	0	0.0%	0	0.0%					0.0%
Total	782	100%	124,583	100.0%					100.0%
GRAND TOTAL									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%		0.0%		0.0%	
Moderate	132	7.3%	33,011	12.1%		3.8%		6.3%	
LMI	132	7.3%	33,011	12.1%		3.8%	68,097	6.3%	
Middle	1,401	77.6%	181,426	66.3%		82.5%		75.5%	
Upper	272	15.1%	59,227	21.6%		13.7%		18.2%	
Unknown	-	0.0%	-	0.0%		0.0%		0.0%	
Total	1,805	100.0%	273,664	100.0%		100.0%		100.0%	

Small Business Loans: "Outstanding"

The distribution of small business loans based on the income level of the geography demonstrated an excellent penetration rate of lending.

During the evaluation period, TTC originated 30.3% by number and 26.1% by dollar

volume, of its small business loans in LMI areas. These performances were better than the market aggregate of 12.9% and 15.9%, respectively. In 2007 and 2008, TTC's LMI penetration rate were 28.1% and 32.6% by loan number, which were well above the aggregate penetration rate of 13.1% and 12.6%, respectively.

The following chart provides a summary of the TTC's small business lending distribution based on the income level of the geography.

Distribution of Small Business Lending by Geographic Income of the Census Tract								
2007								
Geographic Income	Bank				Aggregate			
	#	%	\$000's	%	#	%	\$000's	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	112	28.1%	13,713	26.1%	961	13.1%	30,255	15.2%
LMI	112	28.1%	13,713	26.1%	961	13.1%	30,255	15.2%
Middle	255	63.9%	34,659	66.0%	5,401	73.4%	150,048	75.6%
Upper	32	8.0%	4,127	7.9%	999	13.6%	18,145	9.1%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	399	100.0%	52,499	100.0%	7,361	100.0%	198,448	100.0%
2008								
Geographic Income	Bank				Aggregate			
	#	%	\$000's	%	#	%	\$000's	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	114	32.6%	11,792	25.9%	747	12.6%	28,031	16.7%
LMI	114	32.6%	11,792	25.9%	747	12.6%	28,031	16.7%
Middle	211	60.3%	30,605	67.2%	4,333	73.2%	126,184	75.0%
Upper	25	7.1%	3,157	6.9%	840	14.2%	14,006	8.3%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	350	100.0%	45,554	100.0%	5,920	100.0%	168,221	100.0%
2009								
Geographic Income	Bank				Aggregate			
	#	%	\$000's	%	#	%	\$000's	%
Low	0	0.0%	0	0.0%	<i>Not Available</i>			
Moderate	94	30.6%	11,042	26.3%				
LMI	94	30.6%	11,042	26.3%				
Middle	199	64.8%	29,059	69.2%				
Upper	14	4.6%	1,902	4.5%				
Unknown	0	0.0%	0	0.0%				
Total	307	100.0%	42,003	100.0%				
GRAND TOTAL								
Geographic Income	Bank				Aggregate			
	#	%	\$000's	%	#	%	\$000's	%
Low	0	0.0%	0	0.0%		0.0%		0.0%
Moderate	320	30.3%	36,547	26.1%		12.9%		15.9%
LMI	320	30.3%	36,547	26.1%		12.9%		15.9%
Middle	665	63.0%	94,323	67.3%		73.3%		75.3%
Upper	71	6.7%	9,186	6.6%		13.8%		8.8%
Unknown	-	0.0%	-	0.0%		0.0%		0.0%
Total	1,056		140,056			100.0%		100.0%

Distribution by Borrower Characteristics: “Outstanding”

The distribution of loans based on borrower characteristics demonstrated an excellent penetration rate of lending among individuals of different income levels and businesses of different revenue sizes.

HMDA-Reportable Loans: “Outstanding”

The TTC’s HMDA-reportable loans demonstrated an excellent penetration rate of lending among individuals of different income levels.

In 2007 and 2008, TTC extended 301 (31.7%) HMDA-reportable loans to LMI borrowers out of the 951 one-to-four family loans originated in its assessment area. This percentage surpassed the 24.5% LMI penetration rate achieved by the market aggregate.

In 2009, origination of one-to-four family loans increased substantially while TTC’s LMI penetration rate slightly declined to 24.4%. This increase in origination was due to higher volume of refinances as a result of lower interest rates. The percentage of decrease in LMI penetration rate would’ve coincided with the increased amount of refinances vs. purchase transactions for that year, and market aggregate data was not available for comparison.

The following chart provides a summary of the HMDA-reportable lending distribution based on household income.

2007									
Borrower Income	Bank				Aggregate				Fam.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	41	8.7%	2,614	4.9%	111,219	5.8%	10,084,314	2.5%	18.0%
Moderate	105	22.3%	8,385	15.7%	348,194	18.0%	46,244,842	11.6%	17.5%
LMI	146	31.0%	10,999	20.6%	459,413	23.8%	56,329,156	14.1%	35.6%
Middle	108	22.9%	11,646	21.8%	498,298	25.8%	83,093,174	20.8%	23.8%
Upper	205	43.5%	29,353	55.0%	893,793	46.3%	239,924,094	59.9%	40.7%
Unknown	12	2.5%	1,402	2.6%	78,293	4.1%	20,882,076	5.2%	0.0%
Total	471	100.0%	53,400	100.0%	1,929,797	100.0%	400,228,500	100.0%	100.0%
2008									
Borrower Income	Bank				Aggregate				Fam.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	49	10.2%	3,381	4.7%	86,343	6.5%	8,156,638	2.9%	18.0%
Moderate	106	22.1%	9,949	14.0%	250,425	19.0%	35,089,989	12.3%	17.5%
LMI	155	32.3%	13,330	18.7%	336,768	25.5%	43,246,627	15.1%	35.6%
Middle	120	25.0%	15,094	21.2%	344,031	26.1%	62,351,426	21.8%	23.8%
Upper	187	39.0%	40,500	56.8%	592,164	44.9%	167,988,514	58.8%	40.7%
Unknown	18	3.8%	2,358	3.3%	46,709	3.5%	12,222,505	4.3%	0.0%
Total	480	100.0%	71,282	100.0%	1,319,672	100.0%	285,809,072	100.0%	100.0%
2009									
Borrower Income	Bank				Aggregate				Fam.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	50	6.6%	4,433	3.8%	Not Available				18.0%
Moderate	134	17.8%	12,370	10.6%					17.5%
LMI	184	24.4%	16,803	14.4%					35.6%
Middle	170	22.5%	21,315	18.2%					23.8%
Upper	372	49.3%	73,877	63.1%					40.7%
Unknown	28	3.7%	5,078	4.3%					0.0%
Total	754	100.0%	117,073	100.0%				100.0%	
GRAND TOTAL									
Borrower Income	Bank				Aggregate				Fam.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	140	8.2%	10,428	4.3%		6.1%		2.7%	
Moderate	345	20.2%	30,704	12.7%		18.4%		11.9%	
LMI	485	28.4%	41,132	17.0%	796,181	24.5%	99,575,783	14.5%	
Middle	398	23.3%	48,055	19.9%		25.9%		21.2%	
Upper	764	44.8%	143,730	59.5%		45.7%		59.5%	
Unknown	58	3.4%	8,838	3.7%		3.8%		4.8%	
Total	1,705		241,755	100.0%		100.0%		100.0%	

Small Business Loans: "Outstanding"

The distribution of small business loans, based on the revenue size of the business, demonstrated an excellent penetration rate of lending among individuals of different income levels and businesses of different revenue sizes.

In 2007, TTC extended 65.7% loans to small businesses with revenue of \$1 million or less, which was well above the aggregate's small business lending of 40.4%. In 2008, TTC's percentage of lending to small businesses slightly decreased to 60.6%, still well above the aggregate's level of 33.8%. The small business lending by number of loans remained at the same level in 2009, and there was no market aggregate data available for comparison.

The following chart provides a summary of TTC's small business lending distribution based on revenue size during the evaluation period:

Distribution of Small Business Lending by Revenue Size of Business								
2007								
Rev. Size	Bank				Aggregate			
	#	%	\$000's	%	#	%	\$000's	%
Rev. <= \$1MM	262	65.7%	20,433	38.9%	2,971	40.4%	72,413	36.5%
Rev. > \$1MM	137	34.3%	32,066	61.1%	4,390	59.6%	126,035	63.5%
Rev. Unknown	-	0.0%	0	0.0%				
Total	399	100.0%	52,499	100.0%	7,361	100.0%	198,448	100.0%
2008								
Rev. Size	Bank				Aggregate			
	#	%	\$000's	%	#	%	\$000's	%
Rev. <= \$1MM	212	60.6%	17,652	38.7%	1,999	33.8%	61,995	36.9%
Rev. > \$1MM	138	39.4%	27,902	61.3%	3,921	66.2%	106,226	63.1%
Rev. Unknown	-	0.0%	0	0.0%				
Total	350	100.0%	45,554	100.0%	5,920	100.0%	168,221	100.0%
2009								
Rev. Size	Bank				Aggregate			
	#	%	\$000's	%	#	%	\$000's	%
Rev. <= \$1MM	185	60.3%	15,134	36.0%	<i>Not Available</i>			
Rev. > \$1MM	119	38.8%	26,764	63.7%				
Rev. Unknown	3	1.0%	105	0.2%				
Total	307	100.0%	42,003	100.0%				
GRAND TOTAL								
Rev. Size	Bank				Aggregate			
	#	%	\$000's	%	#	%	\$000's	%
Rev. <= \$1MM	659	62.4%	53,219	38.0%		37.4%		36.7%
Rev. > \$1MM	394	37.3%	86,732	61.9%				
Rev. Unknown	3	0.3%	105	0.1%				
Total	1,056	100.0%	140,056	100.0%		37.4%		36.7%

Community Development Lending: "Outstanding"

During the evaluation period, TTC originated \$19.8 million in new community development loans, and still had \$2.98 million outstanding from prior evaluation periods.

The total qualified community development loans of \$22.8 million represented a

substantial increase from \$8.1 million reported at the prior evaluation period, and demonstrated an excellent level of community development lending over the course of the evaluation period. These loans were used to support initiatives that help revitalize low-moderate income neighborhoods, provide affordable housing, job creation and promote economic development.

Community Development Loans				
Purpose	This Evaluation Period		Outstandings from Prior Evaluation Periods	
	# of Loans	\$000	# of Loans	\$000
Affordable Housing	2	1,695		
Economic Development	9	8,683	1	2,979
Community Services	10	9,443		
Total	21	19,821	1	2,979

Below are highlights of TTC's community development lending¹:

During the evaluation, TTC provided a total of \$6.8 million revolving line of credit to the William George Agency for Children's Services ("the Agency"). The Agency, a not-for-profit corporation formed under the laws of New York State, is a year-round residential treatment center licensed by New York State Office of Children & Family Services to provide therapeutic and rehabilitative services to troubled adolescent boys between the ages of 12 and 17. The boys come from virtually every community in New York State, referred by probation or social service departments, school districts and the Office of Children and Family Services. The revolving line of credit provided was used to fund delays in the collection of accounts receivable due from counties located within New York State. The \$2 million line was renewed in 2007 and 2008 for the same amount, and in 2009 it was increased to \$2.8 million at renewal.

TTC extended for a total of \$600,000 revolving line of credit to Planned Parenthood of the Southern Finger Lakes, Inc (PPSFL). PPSFL is a not-for-profit agency, offering medical, counseling, and education services with regard to reproductive health care as well as rape crisis services. The line of credit funds cash flow while the agency is awaiting funding from the New York State Department of Health. The \$300,000 revolving line of credit was renewed for one year in 2007 and for two years in 2008.

In January 2008, TTC originated a \$2.5 million revolving line of credit to Vanguard Printing LLC. The purpose of the fund was for working capital for revitalizing or stabilizing low-to-moderate income areas. Company is located in Empire Zone. The facility was renewed in 2009 for the same amount.

1. For analysis purposes, renewals of lines of credits that occur during the evaluation period are considered as new extensions of credit.

In 2007, TTC renewed a \$400,000 revolving line of credit to Ithaca Neighborhood Housing Services, Inc. The purpose of the line of credit was to partially fund various construction projects in progress. The line was renewed in 2008 for the same amount and in 2009, it was increased to \$800,000 at renewal.

In 2009, TTC funded two loans to Cortland ENT P.C. First loan of \$236,984 was used to refinance an existing lease debt. Second loan was a term loan of \$480,000, used for the renovations of their new facility. The business is located in the newly created Empire Zone.

Flexible and/or Innovative Lending Practices: “Outstanding”

TTC makes extensive use of innovative or flexible lending practices in serving the credit needs of the community. TTC is proactive in supporting affordable housing programs and services to the community it serves.

Following are the description of flexible and/or innovative Lending Practices.

State of New York Mortgage Agency (SONYMA) Low Interest Rate Mortgage Program and Achieving the Dream Mortgage Program: Under these programs, first-time homebuyers who meet certain income and purchase price criteria can receive a very low fixed interest rate loan to purchase a one-to-four family or one-to-two family home, cooperative, condominium unit. During the evaluation period, TTC originated 139 loans, totaling \$13.6 million..

Small Business Administration (“SBA”) Loan Guaranty Program: The SBA was established to assist credit worthy small businesses in obtaining financing on reasonable terms. TTC originated 23 loans totaling \$1.7 million under this program.

Tompkins County Home Ownership Program: The program is an affordable housing program administered by two non-profit organizations, the Better Housing for Tompkins County and Ithaca Neighborhood Housing Services. Both programs utilize grant funds throughout Tompkins County to subsidize down payment, closing costs, and rehab of the home for applicants, with the bank providing the permanent financing. During the evaluation period, TTC originated 16 mortgages totaling 1.6million.

Negotiated Rate Program: This is TTC’s in-house affordable housing program. The products offered under this program are offered to existing homeowners experiencing financial difficulties leading to delinquent loan payments. TTC has originated 10 such mortgages totaling \$943 thousands.

First Home Club: Program started in 2009. Offered in conjunction with the Federal Home Loan Bank of New York, this savings plan provides matching funds to help savings grow quickly. This program is match funded 4:1 for a maximum of \$7,500 available for qualified buyers. This program is subject to income qualifying guidelines

INVESTMENT TEST: “Outstanding”

TTC’s investment performance is evaluated pursuant to the following criteria: (1) the dollar amount of qualified investments; (2) the innovativeness or complexity of qualified investments; (3) the responsiveness of qualified investments to credit and community development needs; (4) the degree to which the qualified investments are not routinely provided by private investors.

TTC’s community development investments were more than reasonable in light of the assessment area’s credit needs.

Amount of Community Development Investments: “Outstanding”

During the evaluation period, TTC made \$20.3 million in new community development investments, \$1.4 million in grants, and still had \$4.1 million in community development investments outstanding from prior evaluation periods. The total qualified investments amounted \$25.8 million, a significant increase from the \$4.4 million at prior evaluation. This demonstrated an excellent level of community development investments and grants over the course of the evaluation period.

	This Evaluation Period		Outstandings from Prior Evaluation Periods	
CD Investments	# of Inv.	\$000	# of Inv.	\$000
Affordable Housing	1	2,750		
Economic Development	7	17,548	6	4,141
Community Services				
Total	8	\$ 20,298	6	4,141
CD Grants	# of Grants	\$000	Not Applicable	
Affordable Housing	11	\$ 775		
Economic Development	4	\$ 304		
Community Services	33	\$ 307		
Total	48	\$ 1,386		

Below are highlights of TTC’s community development investments and grants.

- Small Business Administration (“SBA”) Loan Pool: The SBA was established to assist credit worthy small business in obtaining financing on reasonable terms. TTC originated two loan pools totaling \$10 million under this program.
- Park Terrace Apartments: Under this program, TTC invested \$2.75million to support low-to-moderate income housing project in Southport, NY.
- Tompkins-Seneca-Tioga (TST) BOCES Revenue Anticipation Note. TTC

invested \$5 million to provide financing for administrative and clerical expense reimbursement anticipated by the issuer.

- Ithaca Urban Renewal: TTC invested \$1.9 million in the municipal bond to pay the general unsecured obligation of the agency.
- Town of Ithaca Statutory Bond: TTC invested \$1million for the town of Ithaca water project.

Innovativeness of Community Development Investments: “Outstanding”

TTC made extensive use of innovative and/or complex investments to support community development.

Responsiveness of Community Development Investments to Credit and Community Development Needs: “Outstanding”

TTC’s community development investments exhibited excellent responsiveness to credit and community development needs.

Degree to which Investments Are Not Routinely Provided by Private Investors: “Outstanding”

TTC’s community development investments are not routinely provided by private investors.

State of New York Mortgage Agency (SONYMA) Low Interest Rate Mortgage Program and Achieving the Dream Mortgage Program: Under these programs, first-time homebuyers who meet certain income and purchase price criteria can receive a very low fixed interest rate loan to purchase a one-to-four family or one-to-two family home, cooperative, condominium unit. During the evaluation period, TTC originated 139 loans, totaling \$13.6 million during the evaluation period.

Negotiated Rate Program: This is TTC’s in-house affordable housing program. The products offered under this program are offered to existing homeowners experiencing adverse financial issues as a result of delinquent loan payments. TTC has originated 10 such mortgages totaling \$943 thousands.

First Home Club: Program started in 2009. Offered in conjunction with the Federal Home Loan Bank of New York, this savings plan provides matching funds to help savings grow quickly. This program is match funded 4:1 for a maximum of \$7,500 available for qualified buyers. This program is subject to income qualifying guidelines.

SERVICE TEST: “Outstanding”

TTC’s retail service performance is evaluated pursuant to the following criteria: (1) the current distribution of the banking institutions branches; (2) the institutions record of opening and closing branches; (3) the availability and effectiveness of alternative systems for delivering retail services; and (4) the range of services provided. Bank TTC’s community development service performance is evaluated pursuant to the following criteria: (1) the extent to which the banking institution provides community development services; and (2) the innovativeness and responsiveness of community development services.

During the evaluation period, TTC provided an excellent level of services to its assessment area.

Retail Banking Services: “Outstanding”

TTC had and continues to have an excellent delivery systems, branch network, branch hours and services, and alternative delivery systems.

Current distribution of the banking institutions branches: “Outstanding”

TTC’s branches represented and continue to represent an excellent distribution of branches within its assessment area.

TTC operates one limited, thirteen full service branches, and seven drive-through facilities within its assessment area. Four branches (26.67%) are located in the LMI areas and three branches (20%) were adjacent to LMI geographies. TTC has seven drive-through facilities at its branches and thirty Automated Teller Machines (ATMs), of which nine are located in moderate-income census tracts within the assessment area.

County	N/A #	Low #	Moderate #	Middle #	Upper #	Total #	LMI %	LMI and Distressed or Underserved
Cayuga	0	0	0	1	0	1	0%	0%
Cortland	0	0	0	1	0	1	0%	0%
Schuyler	0	0	0	1	0	1	0%	0%
Tompkins	0	0	4	5	3	12	33%	33%
Total	-	-	4	8	3	15	27%	27%

Record of opening and closing branches: “Outstanding”

TTC’s record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to LMI geographies and or LMI individuals.

Availability and effectiveness of alternative systems for delivering retail services:

“Outstanding”

TTC’s delivery systems continue to be readily accessible to significant portions of TTC’s assessment area, particularly LMI geographies and individuals.

- Internet Banking with Bill Pay- is a secure and convenient way to save time and money. Provides all customers with 24-hour access to wide range of services including bill payments, transfer funds between accounts and view account balances.
- Automated Phone Banking- Customers are provided with a toll free bank by phone access to their accounts any time of the day.
- Automated Teller Machines: ATMs are available throughout the assessment area with 24-hour access.

Range of services provided: “Satisfactory”

TTC’s services continue to meet the convenience and needs of its assessment area, particularly LMI geographies and individuals. TTC has thirty ATMs, of which sixteen of them are full service machines.

Community Development Services: “High Satisfactory”

TTC provided a relatively high level of community development services in its assessment area. It participates in various activities that help LMI individuals and promotes small businesses in the assessment area.

TTC’s officers/employees serve as members or officers in the finance committee, loan committee and audit committee of several community organizations and provide technical assistance and financial guidance.. Some of the organizations are as follows:

- Ithaca Downtown Business Women
- Tompkins County Chamber of Commerce
- Better Housing of Tompkins County
- Cayuga County Micro Loan Committee

TTC’ s chairman serves on the development committee of Ithaca Neighborhood housing Inc, whose mission is to revitalize Ithaca’s neighborhoods, to encourage stability and diversity, and to assist low and moderate income people in obtaining quality affordable housing on a long-term basis.

TTC’s President is a finance committee member of Challenge Industries, which provides employment services for persons with disabilities or barriers to employment.

TTC's vice president is a Treasurer of the Better Housing of Tompkins County, a non-profit organization that provides affordable housing to LMI families.

Additional Factors

The following factors were also considered in assessing TTC's record of performance.

The extent of participation by the banking institution's board of directors or board of trustees in formulating the banking institution's policies and reviewing its performance with respect to the purposes of the Community Reinvestment Act

TTC's CRA committee met on 11/16/09 discussed about updated CRA Public Files. CRA Corporate Policy was approved at the October 2009 Board Meeting.

Discrimination and other illegal practices

Any practices intended to discourage applications for types of credit set forth in the banking institution's CRA Public File.

NYSBD noted no practices that were intended to discourage applications for the types of credit offered by TTC.

Evidence of prohibited discriminatory or other illegal credit practices.

The most recent compliance examination, conducted by NYSBD indicated a satisfactory performance in terms of adherence to applicable laws and regulations. No evidence of prohibited discriminatory or other illegal practices was noted.

Process Factors

- *Activities conducted by the banking institution to ascertain the credit needs of its community, including the extent of the banking institution's efforts to communicate with members of its community regarding the credit services being provided by the banking institution.*

TTC ascertains the credit needs of its community through involvement of its officers with various community organizations. TTC's officers serve in more than 100 different organization that provide housing, childcare or financial needs to the community such as family & children service of Ithaca, Ithaca Neighborhood Housing, United Ways of Tompkins and Board of Realtors and Chamber of Commerce. To meet the community credit needs, TTC continues to offer educational programs for first-time homebuyers.

The extent of the banking institution's marketing and special credit-related programs to make members of the community aware of the credit services offered

by the banking institution

TTC actively markets and promotes its services to members of the community through the following: direct mail, bank notes statement stuffer, which goes to all deposit customers at the end of each quarter. TTC advertises in the following print media:

CNY Business Journal
Fingerlakes Community Newspapers
The Citizen
The Cortland Standard
The Ithaca Journal and Ithaca Business Journal

TTC advertises in the following radio and TV stations:

WAUB (AM): Auburn/Cayuga County
WSKG (FM): Broome/Tioga/Tompkins/Cortland/Chenango Counties
Time Warner Cable: (Ithaca, Cortland and Auburn areas)

Other factors that in the judgment of the Superintendent and Banking Board bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community

Since the latest CRA evaluation as of December 31, 2006, neither TTC nor NYSBD has received any written complaints regarding TTC's CRA performance.

GLOSSARY

Aggregate Penetration Rate

The number of loans originated and purchased by all reporting lenders in specified categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the assessment area.

Community Development

The term “community development” is defined to mean:

1. Affordable housing (including multifamily housing) for low- or moderate-income (“LMI”) individuals;
2. Community services targeted to LMI individuals;
3. Activities that promote economic development by financing business or farms that meet the size eligibility standards of the United States Small Business Administration (“SBA”) Development Company or Small Business Investment Company programs, or have gross annual incomes of \$1 million or less;
4. Activities that revitalize or stabilize LMI geographies; and
5. Activities that seek to prevent defaults and/or foreclosures in loans included in (1) and (3) above.

A “community development loan” is defined as a loan that has as its *primary purpose* community development. This includes but is not limited to loans to:

- Borrowers for affordable housing rehabilitation and construction, including construction and permanent financing for multifamily rental property serving low or moderate income (“LMI”) persons;
- Nonprofit organizations serving primarily LMI or other community development needs;
- Borrowers to construct or rehabilitate community facilities that are located in LMI areas or that primarily serve LMI individuals;
- Financial intermediaries including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds or pools, micro-finance institutions, and low-income or community development credit unions that primarily lend or facilitate lending to promote community development;
- Local, state and tribal governments for community development activities; and
- Borrowers to finance environmental clean up or redevelopment of an industrial site as part of an effort to revitalize the LMI community in which the property is located.

A “qualified investment” is defined as a lawful investment, deposit, membership share or grant that has as its *primary purpose* community development. This includes but is not limited to investments, deposits, membership shares or grants in or to:

- Financial intermediaries (including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds, micro-finance institutions and low-income or community development credit unions) that primarily lend or facilitate lending in LMI areas or to LMI individuals in order to promote community development;
- Organizations engaged in affordable housing rehabilitation and construction;
- Organizations, including, for example, small business investment corporations that promote economic development by financing small businesses;
- Facilities that promote community development in LMI areas or LMI individuals, such as youth programs, homeless centers, soup kitchens, health care facilities, battered women’s centers, and alcohol and drug recovery centers;
- Projects eligible for low-income housing tax credits;
- State and municipal obligations, such as revenue bonds that specifically support affordable housing or other community development needs;
- Organizations serving LMI housing or other community development needs, such as counseling for credit, home ownership, home maintenance, and other financial services education; and
- Organizations supporting activities essential to the capacity of LMI individuals or geographies to utilize credit to sustain economic development, such as day care operations and job training programs that facilitate access to permanent jobs.

A “community development service” is defined as a service that has as its *primary purpose* community development, is related to the provision of financial services, and has not been considered in the evaluation of the banking institution's retail banking services. This includes but is not limited to:

- Providing technical assistance on financial matters to nonprofit, tribal or government organizations serving LMI housing or economic revitalization and development needs;
- Providing technical assistance on financial matters to small businesses or community development organizations;
- Lending employees to provide financial services for organizations facilitating affordable housing construction and rehabilitation or development of affordable housing;
- Providing credit counseling, home buyers and home maintenance counseling, financial planning or other financial services education to promote community development and affordable housing;
- Establishing school savings programs for LMI individuals;
- Providing seminars for LMI persons on banking and bank account record-keeping;
- Making ATM “Training Machines” available for extended periods at LMI community sites or at community facilities that serve LMI individuals; and
- Technical assistance activities to community development organizations such as:
 - ❖ Serving on a loan review committee;
 - ❖ Developing loan application and underwriting standards;
 - ❖ Developing loan processing systems;

- ❖ Developing secondary market vehicles or programs;
- ❖ Assisting in marketing financial services, including the development of advertising and promotions, publications, workshops and conferences;
- ❖ Furnishing financial services training for staff and management;
- ❖ Contributing accounting/bookkeeping services; and
- ❖ Assisting in fund raising, including soliciting or arranging investments.

Home Mortgage Disclosure Act (“HMDA”)

The Home Mortgage Disclosure Act, enacted by Congress in 1975, and subsequently amended, requires institutions to annually report data about applications for residential (including multifamily) financing.

Income Level

The income level of the person, family or household is based on the income of person, family or household. A geography’s income is categorized by median family income for the geography. In both cases, the income is compared to the MSA or statewide nonmetropolitan median income.

Income level of individual or geography	% of the area median income
Low-income	Less than 50
Moderate-income	At least 50 and less than 80
Middle-income	At least 80 and less than 120
Upper-income	120 or more

Loans to Small Businesses

Small business loans to businesses with gross annual revenues (“GAR”) of \$1 million or less (“< = \$ 1MM”).

Low or Moderate Income (“LMI”) Geographies

Those census tracts or block numbering areas (“BNAs”), where according to the 2000 US Census, the median family income is less than 80% of the area median family income. In the case of tracted areas that are part of a Metropolitan Statistical Area (“MSA”) or Primary Metropolitan Statistical Area (“PMSA”), this would relate to the median family income for the MSA or PMSA in which the tracts are located. In the case of BNAs and tracted areas that are not part of a MSA or PMSA, the area median family income would be the statewide non-metropolitan median family income.

LMI Borrowers

Borrowers whose income, as reported on the loan application which the lender relied upon in making the credit decision, is less than 80% of the area median family income. In the case where the residential property is located in a MSA or PMSA, this would

relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure borrower income levels are updated annually by the U.S. Department of Housing and Urban Development (“HUD”).

LMI Individuals/Persons

Individuals or persons whose income is less than 80% of the area median family income. In the case where the individual resides in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure individual income levels are updated annually by HUD.

LMI Penetration Rate

A number that depicts the percentage of a bank’s total loans (for a particular product) that was extended to LMI geographies or borrowers. For example, an LMI penetration rate of 20% would indicate that the bank made 20 out of a total of 100 loans in LMI geographies or to LMI borrowers.

Small Business Loans

Loans to businesses with original amounts of \leq \$1MM.