



**LARGE BANK**

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Comptroller of the Currency  
Administrator of National Banks

Washington, DC 20219

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## **Public Disclosure**

October 7, 2002

# **Community Reinvestment Act Performance Evaluation**

**Community Bank, National Association  
Charter Number: 8531**

**45-49 Court Street  
Canton, NY 13617**

**Office of the Comptroller of the Currency  
Upstate New York (Syracuse) Field Office  
231 Salina Meadows Parkway Suite 105  
Syracuse, NY 13212**

**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.

## Table of Contents

<b>OVERALL CRA RATING</b> .....	<b>1</b>
<b>DEFINITIONS AND COMMON ABBREVIATIONS</b> .....	<b>2</b>
<b>DESCRIPTION OF INSTITUTION</b> .....	<b>6</b>
<b>SCOPE OF THE EVALUATION</b> .....	<b>7</b>
<b>FAIR LENDING REVIEW</b> .....	<b>8</b>
<b>STATE RATING</b> .....	<b>9</b>
STATE OF NEW YORK .....	9
<b>STATE RATING</b> .....	<b>21</b>
STATE OF PENNSYLVANIA.....	21
<b>APPENDIX A: SCOPE OF EXAMINATION</b> .....	<b>A-1</b>
<b>APPENDIX B: SUMMARY OF STATE RATINGS</b> .....	<b>B-1</b>
<b>APPENDIX C: MARKET PROFILES FOR FULL-SCOPE AREAS</b> .....	<b>C-1</b>
<b>APPENDIX D: TABLES OF PERFORMANCE DATA</b> .....	<b>D-1</b>

## Overall CRA Rating

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

The following table indicates the performance level of **Community Bank, N.A.** with respect to the lending, investment and service tests:

Performance Levels	Community Bank, N.A. Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	X
Low Satisfactory			
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 a good responsiveness to the credit needs of its assessment areas.
- Good distribution of loans among geographies of different income levels, along with an excellent ratio of loans originated within the assessment areas.
- Good distribution of loans among borrowers of different income levels throughout the assessment areas.
- Investments that reflect a good responsiveness to the needs of the assessment areas.
- Service delivery systems that are accessible to geographies and individuals of different income levels.
- 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.

**Block Numbering Area (BNA):** A statistical subdivision of a county for grouping and numbering blocks in non-metropolitan counties where local census statistical area committees have not established census tracts. A BNA does not cross county lines.

**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 statistical 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.

**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 or a block numbering area delineated by the United States Bureau of the Census in the most recent decennial census.

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

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

**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 primary metropolitan statistical area (PMSA), metropolitan statistical area (MSA), or consolidated metropolitan area (CMSA), as defined by the Office of Management and Budget, with a population of 250,000 or more, and any other area designated as such by the appropriate federal financial supervisory agency.

**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. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small

business loans" if the loans are reported on the TFR as nonmortgage, commercial 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 more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.

## Description of Institution

Community Bank, N.A. (CBNA) is an interstate bank headquartered in Canton, New York and operating in the States of New York and Pennsylvania. CBNA is a wholly owned subsidiary of Community Bank Systems, Inc. (CBSI), a one-bank holding company. CBSI had total average assets of \$3.3 billion as of March 31, 2002. CBSI's other subsidiaries as of March 31, 2002, consist of Benefit Plans Administrative Services, Inc., a pension administration and consulting firm and three subsidiary business-trusts, set-up for the purpose of issuing preferred securities.

CBNA's operating subsidiaries include Community Financial Services, Inc. (CFSI), which offers select insurance products; Community Investment Services, Inc. (CISI), which provides investment advice and products to consumers; Elias Asset Management, Inc., an asset management firm handling assets for individuals, corporate pension and profit sharing plans and foundations; and First Liberty Service Corporation a management consulting firm. CBNA's operating subsidiaries had no impact on the bank's capacity to lend in the AAs where it operates.

CBNA is the second largest community banking franchise headquartered in Upstate New York. CBNA is a full service interstate bank with 112 branches serving 22 counties in Upstate New York and 2 counties in northeastern Pennsylvania. During the evaluation period, the bank grew by forty-eight branches primarily through merger and acquisition activity. The merger and acquisition activity resulted in the expansion into the Elmira and Buffalo-Niagara MSAs in late 2001 and into the State of Pennsylvania in mid-2001. CBNA offers a wide range of financial services, with their primary focus on loans to consumers. In addition to traditional deposit and loan products, CBNA offers its customers insurance and investment products and trust services.

As of June 30, 2002, CBNA had \$3.4 billion in total assets that included \$1.7 billion in net loans, representing 50% of total assets. The bank's loan mix consists of 59% real estate loans (70% residential real estate, 25% commercial real estate, 2% farm real estate, 2% construction and 1% multifamily), 24% loans to individuals, 16% commercial and industrial loans and 1% agricultural loans. Since June 30, 2001, total assets increased 19.46% due primarily to an increase in securities and net loans. During the period US, Agency and Municipal securities increased by 25.45% and net loans increased 11.60%. Within the loan category, real estate loans increased 13.31%, loans to individuals increased 10.78% and commercial loans increased 6.59%. As of June 30, 2002, CBNA reported Tier 1 capital of \$205 million.

CBNA operates in a competitive financial services market with consumer finance companies, large regional banks, credit unions, savings banks and community banks. CBNA is not subject to any known financial, legal or regulatory restrictions that would impede its ability to help meet the credit needs of its assessment area.

CBNA's last CRA exam was September 20, 1999, at which time, the bank's performance was rated "Satisfactory".



## **Scope of the Evaluation**

### **Evaluation Period/Products Evaluated**

The evaluation period covered January 1, 1999 through December 31, 2001 in the State of New York for Home Mortgage Disclosure Act (HMDA) loans, small business loans and small farm loans. CBNA entered the State of Pennsylvania in 2001, therefore the evaluation period covered January 1, 2001 through December 31, 2001 in the State of Pennsylvania for Home Mortgage Disclosure Act (HMDA) loans and small business loans. The evaluation period for CD loans, investments and services in New York is September 20, 1999 through October 07, 2002, and in Pennsylvania is January 1, 2001 through October 7, 2002. This represents the time period between the start of the bank's last and current CRA exams. The market share and peer comparisons are based on the information contained in the aggregate HMDA and Small Business/Farm Registers for 2001. The aggregate HMDA and Small Business/Farm Reports are available for public review.

The peer comparisons in this report include only lenders who were required to file HMDA and Small Business/Farm Reports for 2001. Any lender with significant mortgage loan activity operating in CBNA's 10 AAs would be required to file a HMDA report for 2001. Small business reporting is required only of bank and thrift institutions with assets of \$250 million or more as of December 31 of the prior two calendar years preceding the reporting year, or an affiliate of a holding company with \$1 billion or more in assets for the same time period.

### **Data Integrity**

We performed a data integrity exam of the loan information indicated above. We chose samples with 95% reliability and 5% precision, which resulted in random samples of 60 HMDA loans and 60 small business/small farm loans. We found the bank's HMDA loan data to be of good quality and the small business and small farm loan data to be of adequate quality. There were no corrections required to the HMDA data.

All the material errors identified in the small business and small farm data involved differences in income classification. Four of the five involved the reclassification of the loans from "made to a small business to made to a large business" and the remaining loan required reclassification from "made to a large business to made to a small business." Management reviewed the entire small business/small farm register for years 2000 and 2001, corrected an additional 243 entries (5.86%) and provided us with revised data for this examination.

## **Selection of Areas for Full-Scope Review**

In each state where the bank has an office, a sample of assessment areas (AAs) within that state was selected for full-scope reviews. Refer to the “Scope” section under each state rating for details regarding how the areas were selected and why they are representative.

## **Ratings**

The bank’s overall rating is a blend of the state ratings. In arriving at the overall rating, the greatest weight was given to the State of New York. The nine AAs in this state represent the greatest volume of both loan and deposit activity. Also, the bank was only present in the State of Pennsylvania for the last year of this three-year evaluation period.

The state ratings are based primarily on those areas that received full-scope reviews. Refer to the “Scope” section under each state rating for details regarding how the areas were weighted in arriving at the overall state rating.

The Lending Test was weighted more heavily than the Investment and Service tests. When determining conclusions for the Lending Test, home mortgage products received more weight than small loans to businesses followed by small loans to farms in New York State. In Pennsylvania, small loans to farms were insignificant, and thus were not included in the Lending Test. Within the home mortgage product category, home improvement loans were weighted heaviest, followed by home refinance loans and then home purchase loans. This weighting is reflective of CBNA’s volume by loan type over the evaluation period.

## **Fair Lending Review**

An analysis of most recent HMDA, Small Business, and Small Farm lending data, public comments, and consumer complaint information was performed according to the OCC's risk based fair lending approach. Based on its analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted with the CRA evaluation this year. The latest comprehensive fair lending exam was performed in September 1999.

## State Rating

### State of New York

**CRA Rating for New York: Satisfactory**

**The lending test is rated: High Satisfactory**

**The investment test is rated: High Satisfactory**

**The Service Test is rated: High Satisfactory**

The major factors that support this rating include:

- Lending levels that reflect an excellent responsiveness by CBNA to the credit needs of its AAs.
- Good distribution of loans among borrowers of different income levels throughout the AAs.
- Good distribution of loans among geographies of different income levels throughout the AAs, along with an excellent ratio of loans originated inside the AAs.
- Flexible lending products that had a positive impact on the bank's lending performance.
- Investments that reflect a good responsiveness to the credit and community development needs of the AAs.
- Service delivery systems that are accessible to geographies and individuals of different income levels in the AAs.
- Good performance in providing community development services.

### Description of Institution's Operations in New York

CBNA has nine AAs within the State of New York. They include the Northern Region Non-MSA, Southern Region Non-MSA and all or parts of the Binghamton MSA, Buffalo-Niagara MSA, Elmira MSA, Jamestown MSA, Rochester MSA, Syracuse MSA and the Utica-Rome MSA. CBNA has 99 branches within the state, which represents 89% of the bank's total branch network. The state of New York represents 80% of CBNA's total deposits. The bank ranked thirty-fourth in the state for deposit market share with 0.33% of deposits. During the evaluation period, CBNA originated 96% of its total HMDA and 98% of its total small business loan volume within New York.

Refer to the Market Profiles for the State of New York in Appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

## **Scope of Evaluation in New York**

We conducted full-scope reviews of the Northern Region Non-MSA (Northern Region) and Southern Region Non-MSA (Southern Region) AAs as these two areas combined represent 76% of the total lending in the state, 83% of the total number of branches and 75% of the total deposits. The Northern Region AA was weighted more heavily, as 48% of the statewide lending activity, 41% of the statewide deposits and 29% of the statewide branches are located there. Home mortgage lending was given more weight when arriving at the bank's overall performance in lending based on the volume of home mortgage lending, and historical business focus and strategy of the bank.

We conducted two community contacts during this evaluation. Of the two contacts, one was made in the Northern Region AA and one was made in the Southern Region AA. Additionally, we reviewed a prior community contact conducted by the OCC in the Southern Region AA. All the organizations contacted were those concerned with the provision of affordable housing to low and moderate-income individuals. In the Northern Region AA, the contact stated the primary credit need was lending affordable housing along with concurrent financial literacy programs. An additional identified credit need in the assessment area was for low principle, low-interest rate motor vehicle loans. The contact stated that the AA is very rural in nature and the lack of public transportation makes the lack of a motor vehicle an obstacle to employment for many low and moderate-income individuals. Finally, the contact mentioned the need for no-cost checking accounts for low and moderate-income individuals. In the Southern Region AA, the contacts stated the primary credit need was lending for affordable housing. The contacts stated the need for affordable housing was significant, with many low and moderate-income individuals resorting to mobile homes. The contacts also stated there was a need for homebuyer education programs. The needs for affordable housing related credit, investments and services in both AAs were considered in our evaluation of CBNA's performance in the State of New York under the Lending, Investment and Service Tests. Refer to the Market Profile section in Appendix C for more information.

## **LENDING TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the lending test in New York is rated "High Satisfactory". Based on full-scope reviews, the bank's performance in the Northern Region AA is good and in the Southern Region AA is good.

## **Lending Activity**

Refer to Table 1 in the State of New York section of Appendix D for the facts and data used to evaluate the bank's lending activity.

The bank's leading product was home mortgage loans, representing 60% of the loans originated during the evaluation period in the Northern Region AA and 73% in the Southern Region AA. Small loans to businesses accounted for 31% of originated loans in the Northern Region and 25% in Southern Region. Small loans to farms represented the smallest percentage of originated loans, 9% of in the Northern Region and 2% in the Southern Region. CBNA's volume of multifamily loans originated within the full-scope AAs in the State of New York during the evaluation period was too insignificant to evaluate (12 loans).

Among originated home mortgage loans, 47% of Northern Region loans and 44% of Southern Region loans were for home improvement, 28% of Northern Region and 40% of Southern Region were home mortgage refinance loans and 25% of Northern Region and 16% of Southern Region loans were for home purchase.

CBNA's overall lending activity in the two full-scope AAs is excellent.

CBNA's lending activity is excellent in the Northern Region AA. CBNA ranks first for deposits with a 23.78% market share. Based on 2001 aggregate HMDA data, CBNA is the number one originator/purchaser of home purchase (16.55%), home improvement (47.78%) and refinance (19.69%) loans. Based on 2001 CRA aggregate data, CBNA is the number one originator/purchaser of small loans to businesses (19.98%) and small loans to farms (50.80%).

CBNA's lending activity in the Southern Region AA is excellent. In the Southern Region AA, CBNA ranks first for deposits with a 22.08% market share. Based on 2001 aggregate HMDA data, CBNA is ranked first for home improvement loans (41.31%) and refinance loans (23.22%), and is second in ranking for originator/purchaser of home purchase loans (7.81%). CBNA is outranked in the home purchase market by a large national lender. Based on 2001 CRA aggregate data, CBNA is the second largest originator/purchaser of small loans to farms (9.96%) and the third largest originator/purchaser of small loans to businesses (10.17%).

## **Distribution of Loans by Income Level of the Geography**

The geographic distribution of CBNA's home mortgage loans, small loans to businesses and small loans to farms reflect good penetration throughout the full scope AA geographies. Performance is good in the Northern Region AA and excellent in the Southern Region AA. The percentage of owner occupied housing in low-income geographies in the Northern Region (0.10%) and in the Southern Region (0.05%) is too insignificant to evaluate.

### ***Home Mortgage Loans***

Refer to Tables 2, 3, 4 and 5 in the State of New York section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

The overall geographic distribution of home mortgage loans is good. The geographic distribution is good in the Northern Region AA and excellent in the Southern Region AA.

The overall geographic distribution of home purchase loans is good. The geographic distribution is good in the Northern Region AA and excellent in the Southern Region AA. In the Northern Region, the portion of home purchase loans made in moderate-income geographies is near to the portion of owner-occupied housing units that are in those geographies. In the Southern Region, the portion of home purchase loans made in moderate-income geographies exceeds the portion of owner-occupied housing units that are in those geographies. The Northern Region's market share of loans originated in moderate-income geographies exceeds the bank's overall market share. The Southern Region's market share of loans originated in moderate-income geographies exceeds the bank's overall market share of home purchase loans.

The overall geographic distribution of home improvement loans is excellent. The geographic distribution is excellent in both the Northern Region AA and the Southern Region AA. In both AAs, the portion of home improvement loans made in moderate-income geographies exceeds the portion of owner-occupied housing units that are in those geographies. In both the Northern and Southern Regions the market share of loans originated in moderate-income geographies exceeds the bank's overall market share of home improvement loans.

The overall geographic distribution of refinance loans is good. The geographic distribution is good in the Northern Region and excellent in the Southern Region. The portion of refinance loans made in moderate-income geographies is near to the portion of owner-occupied housing units that are in those geographies in the Northern Region. The portion of refinance loans made in moderate-income geographies exceeds the portion of owner-occupied housing units that are in those geographies in the Southern Region. The Northern Region's market share of loans originated in moderate-income geographies substantially meets the bank's overall market share. The Southern Region's market share of loans originated in moderate-income geographies exceeds the bank's overall market share.

### ***Small Loans to Businesses***

Refer to Table 6 in the State of New York section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The overall geographic distribution of small loans to businesses is good. The geographic distribution is good in both the Northern Region AA and Southern Region AA. In the Northern Region, the portion of small loans to businesses made in low-income geographies is less than the portion of businesses that are in those geographies while the portion of small loans to businesses made in moderate-income geographies exceeds the portion of businesses that are in those geographies. In the Southern Region, CBNA made no small loans to businesses in a low-income geography. However, the lack of small loans to businesses in low-income geographies is insignificant with only approximately one business (0.05%) located in a low-income geography. In the Southern Region, the portion of small loans to businesses made in moderate-income geographies is near to the portion of businesses that are in those geographies. The Northern Region's market share of loans originated in low-income geographies is less than the bank's overall market share and in the moderate-income geographies exceeds the bank's overall market share. The Southern Region's market share of loans originated in moderate-income geographies exceeds the bank's overall market share.

### ***Small Loans to Farms***

Refer to Table 7 in the State of New York section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

The overall geographic distribution of small loans to farms is adequate. The geographic distribution is adequate in the Northern Region AA and good in the Southern Region AA. CBNA made no small loans to farms in low-income geographies, however the lack of farm loans in low-income geographies is insignificant with only approximately seven farms (0.99%) located in a low-income geography in the Northern Region and no farms located in a low-income geography in the Southern Region. In the Northern Region, the portion of small loans to farms made in moderate-income geographies is less than the portion of farms that are in those geographies. In the Southern Region, the portion of small loans to farms made in moderate-income geographies is near to the portion of farms that are in those geographies. The Northern Region's market share of loans originated in moderate-income geographies is below the bank's overall market share. The Southern Region's market share of loans originated in moderate-income geographies is excellent, and substantially exceeds the bank's overall market share.

### ***Lending Gap Analysis***

Reports detailing CBNA's lending activity over the evaluation period for home mortgage loans, small loans to businesses and farms were reviewed to identify gaps in the geographic distribution of loans. No unexplained conspicuous gaps were identified.

### ***Inside/Outside Ratio***

This portion of the evaluation was performed at the bank level. A substantial majority (94%) of the home mortgage loans, small business loans, small farm loans and CD loans were made within the bank's AAs. By product, 94% of the bank's home mortgage loans, 94% of the small loans to businesses, 93% of the small loans to farms and 100% of the CD loans were within the bank's AAs. The home mortgage products were each close to the 94% overall in/out ratio with home purchase at 97%, home improvement at 94% and refinances at 93%. 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 CBNA's home mortgage, small loans to businesses and small loans to farms reflects a good dispersion among borrowers of different income levels. The dispersion among borrowers in the Northern Region AA is good and is good throughout the Southern Region AA. In the evaluation of borrower distribution, we gave consideration to the high poverty level in each of the AAs. The poverty level in the Northern Region AA is very high at 15.07%. The poverty level in the Southern Region AA is also high at 12.72%. Due to reasons of affordability, it is unlikely that 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***

Refer to Tables 8, 9, and 10 in the State of New York section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The overall distribution of home mortgage loans is good in the Northern Region AA and good in the Southern Region AA.

Home purchase loan borrower distribution is excellent. In the Northern Region AA, performance is excellent. The portion of home purchase loans to low-income borrowers is less than the portion of low-income families, but is excellent when adjusted for the 15.07% families living below the poverty level. The portion of home purchase loans to moderate-income borrowers exceeds the portion of families defined as such. Performance in the Southern Region AA is good. The portion of home purchase loans to low-income borrowers is less than the portion of low-income families, but is good when adjusted for the 12.72% families living below the poverty level. The portion of home purchase loans to moderate-income borrowers is near to the portion of families defined as such. In the Northern Region, the market share for loans made to low-income borrowers exceeds and to moderate-income borrowers substantially meets CBNA's overall market share in the AA for home purchase loans. In the Southern Region, the market share for loans made to low-income borrowers and to moderate-



income borrowers is less than CBNA's overall market share in the AA for home purchase loans.

Home improvement loan borrower distribution is excellent in each AA. The portion of home improvement loans to moderate-income borrowers exceeds the portion of families defined as such in each AA. In both the Northern Region and Southern Region AAs, the portion of home improvement loans to low-income borrowers is near to the portion of low-income families, and is excellent when adjusted for families living below the poverty level. The market share for loans made to low-income borrowers exceeds CBNA's overall market share in both AAs for home improvement loans. In the Northern Region the market share for loans made to moderate-income borrowers is less than and in the Southern Region exceeds CBNA's overall market share for home improvement loans.

Refinance loan borrower distribution is adequate. Performance is adequate in both the Northern Region and Southern Region AAs. The portion of refinance loans to low-income borrowers is less than the portion of families defined as such in both AAs and is considered adequate when adjusted for the families living below the poverty level. The portion of refinance loans to moderate-income borrowers is also less than the portion of moderate-income families in both AAs. The market share for loans made to low-income borrowers exceeds CBNA's overall market share in the Northern Region and is less than CBNA's overall market share in the Southern Region. In the Northern Region the market share for loans made to moderate-income borrowers is less than and in the Southern Region exceeds CBNA's overall market share for refinance loans.

### ***Small Loans to Businesses***

Refer to Table 11 in the State of New York section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The borrower distribution of small loans to businesses is good. In the Northern Region AA, the borrower distribution of small loans to businesses is good. The portion of CBNA loans to small businesses (businesses with revenues of \$1 million or less) is near to the portion of businesses that are defined as such in the AA. In the Southern Region AA, the borrower distribution of small loans to businesses is adequate. The portion of CBNA loans to small businesses is less than the portion of businesses defined as such in the AA. The portion of loans of \$100,000 or less in the Northern Region AA exceeds and in the Southern Region AA is near to the portion of businesses that are defined as small in each AA. In addition, the market share of small loans to small businesses exceeds CBNA's overall market share in both AAs.

### ***Small Loans to Farms***

Refer to Table 12 in the State of New York section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to farms.

The borrower distribution of small loans to farms is excellent. In the Northern Region AA, the borrower distribution of small loans to farms is excellent and in the Southern Region AA is good. In the Northern Region, the portion of CBNA loans to small farms exceeds the portion of farms that are defined as such in the AA. In the Southern Region, the portion of CBNA loans to small farms is near to the portion of farms defined as such in the AA. The market share of small loans to small farms exceeds CBNA's overall market share in both AAs.

### **Community Development Lending**

Refer to Table 1 in the State of New York section of Appendix D for the facts and data used to evaluate the bank's level of community development lending.

CBNA's level of Community Development (CD) lending had a neutral impact on the evaluation of its lending performance in the State of New York. CBNA originated 28 CD loans for \$2.9 million in its Southern Region AA. All of these loans were made to organizations that provide community services targeted to low and moderate-income individuals. CBNA originated three CD loans for \$52 thousand in its Northern Region AA. The loans were both made to organizations that provide affordable housing primarily for low and moderate-income senior citizens.

### **Product Innovation and Flexibility**

CBNA's innovative and flexible lending activity had a positive impact on the evaluation of its lending performance in the State of New York.

The bank offers an affordable housing mortgage product called New York State Affordable Homeownership Grant Program for people of low or moderate-income through a number of non-profit agencies involved in affordable housing. These non-profit agencies provide grant funds to low and moderate-income first time homebuyers to cover the amount of the down payment. CBNA provides concurrent mortgage loans, which feature an interest rate below the prevailing conventional mortgage rates (one-fifth to one-quarter of a percent below conventional rates) and pays for all closing costs. There were 49 loans for \$1.376 million made in the Northern Region AA and one loan for \$32 thousand made in the Southern Region AA during the evaluation period.

The bank is involved in a Mobile Home Replacement Program in conjunction with an affordable housing organization. A grant of up to \$20 thousand is provided to low and moderate-income individuals toward the erection of a new modular or stick-built home to replace an existing mobile home. CBNA provides mortgage loans which feature an

interest rate below the prevailing conventional mortgage rates (one-fifth to one-quarter of a percent below conventional rates) and pays for all closing costs. There were eight loans for \$355 thousand made in the Northern Region AA during the evaluation period.

CBNA is involved in a Wheels to Work program in its Southern Region AA. The program, sponsored by the Seneca County Division of Human Services, is designed to aid low and moderate-income individuals whose barrier to employment is reliable transportation. The goal is to help individuals maintain or gain employment by providing them with vehicles and other supportive services, including budgeting and car maintenance courses. CBNA provides reduced interest rates (7.49% below conventional rates) on these installment loans, which are secured by the vehicles and guaranteed by the County. The program is especially beneficial in this area as there is no public transportation available. The bank originated nine loans for \$7 thousand under this program during the evaluation period.

CBNA was approved to participate in the Federal Home Loan Bank's First Home Club in January 2001. The St. Lawrence County Housing Council first qualifies low and moderate-income first time homebuyers and provides homeownership counseling, after which they are referred to the bank to set-up a dedicated savings account. The Federal Home Loan Bank matches each \$1 saved by the applicant with \$3 up to a maximum of \$5,000. At the time the mortgage is approved CBNA will grant a no-closing cost mortgage at lower than market interest rates. There are currently three applicants participating in the program in Northern Region AA.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the lending test in the Buffalo-Niagara, Jamestown, Rochester and Utica-Rome MSA AAs is not inconsistent with the bank's overall performance under the lending test. In the Binghamton and Elmira MSA AAs the bank's performance is weaker than the bank's overall performance. The Binghamton MSA AA's weaker performance is attributable to poor geographic lending performance, adequate lending activity. The Elmira MSA AA's weaker performance is attributable to adequate lending activity, geographic lending performance and borrower distribution. In the Syracuse MSA AA the bank's performance is stronger than the bank's overall performance. The Syracuse MSA AA's stronger performance is attributable to excellent geographic lending performance and borrower distribution. These performance differences noted did not have an impact on the lending test conclusions or rating. The volume of lending in the Binghamton and Elmira MSA AA's is very low and CBNA did not enter into the Elmira MSA until the end of 2001. Refer to Tables 1 through 12 in the State of New York section of Appendix D for the facts and data that support these conclusions.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the investment test in New York is "High Satisfactory". Based on the full scope reviews, the bank's performances in the Northern Region and Southern Region are adequate and strong, respectively.

Refer to Table 14 in the State of New York section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

The level of investment in the Northern Region is adequate, given the level of and competition for community development opportunities in the AA. Both the current and prior investments made a positive impact on the community by addressing community services. Forty-two of the 44 current investments totaling \$481 thousand were related to community services targeted to low or moderate-income individuals. One investment for \$163 thousand involved small business financing, and one investment for \$71 thousand was for affordable housing for low and moderate-income individuals. The small business financing investments involved the job creation and retention for low and moderate-income individuals.

In the Southern Region AA the level of investment was strong. Both the current and prior investments made a positive impact on the community by addressing the identified credit needs of affordable housing for low and moderate-income individuals and financing for small businesses. Twenty of the 23 qualifying investments, or approximately \$3.9 million, were for community services targeted to low and moderate-income individuals. Two investments totaling \$148 thousand were for affordable housing for low and moderate-income individuals and one investment totaling \$137 thousand was for small business financing. The small business financing investments involved the job creation and retention for low and moderate-income individuals.

None of the investments are considered innovative or complex.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Based on limited scope reviews, the bank's performance under the investment test in the Syracuse, Binghamton and Utica AAs is not inconsistent with the bank's overall "High Satisfactory" performance under the investment test in New York. In the Rochester, Buffalo/Niagara and Jamestown AAs, the bank's performance is stronger than the bank's overall performance in the State. The levels of investments in these areas are substantial in comparison to CBNA's resources in those AAs. In the Elmira AA, the bank's performance is weaker than the bank's overall performance in the State, with only \$1 thousand in qualified investments in the AA. Refer to Table 14 in the State of New York section of Appendix D for the facts and data that support these conclusions.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Service Test in New York is rated "High Satisfactory". Based on full-scope reviews, the bank's performance in the Northern Region AA is excellent and in the Southern Region AA is good.

### **Retail Banking Services**

Refer to Table 15 in the State of New York section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

CBNA's delivery systems are accessible to essentially all portions of the full-scope AAs. Accessibility is excellent in the Northern Region AA and good in the Southern Region AA.

In the Northern Region AA, the distribution of CBNA's offices throughout low-income geographies and moderate-income geographies exceeds the distribution of the population living in such geographies.

In the Southern Region AA, CBNA's office distribution in moderate-income geographies is near to the distribution of the population living in these geographies. CBNA's office distribution in low-income geographies is below the distribution of the population living in those geographies. CBNA does not have an office in a low-income geography where only 0.07% of the population resides.

The branch network throughout the full-scope AAs expanded by 22 branches since the last evaluation. Twenty-three branches were opened, six in moderate-income geographies and 16 in middle-income geographies. There was one branch closure in the full-scope AAs during the evaluation period in an upper-income geography.

CBNA's hours and services offered throughout the full-scope AAs are good. Hours and services are excellent in the Northern Region AA and good in the Southern Region AA. Services offered are comparable among locations regardless of the income level of the geography. Sixty-six branch offices are located within the full-scope AAs, of these 13, or 19.70% offer extended hours on various days of the week including Saturday hours. While only 19.70% of all branches in the AAs offer extended hours, 46.15% of the branches located in a low or moderate-income geography offer extended hours.

CBNA offers alternative delivery systems in the form of ATMs. A substantial majority of the bank's ATMs are located in the full-scope AAs. The geographic distribution of the bank's ATMs in the various categories of income geographies is similar to its branch distribution. Customers and non-customers alike can access their accounts through CBNA ATMs, which are connected to the NYCE, CIRRUS, PLUS and STAR ATM

systems. Customers may also use their CBNA ATM card to obtain cash at non-proprietary ATMs throughout the world, which bear the NYCE, CIRRUS, PLUS or STAR logos.

CBNA also offers alternative delivery systems of on-line banking, bank-by-phone and bank-by-mail. These services allow customers to obtain deposit and loan account information, make payments on CBNA loans, transfer funds and pay other household bills. We did not place significant weight on these alternative delivery systems because no data was available to determine the impact of these retail-banking services on low and moderate-income geographies and individuals.

## **Community Development Services**

CBNA's performance in providing community development services is good in both of its full scope AAs.

Management and bank employees support various organizations in the communities served by the bank by offering financial expertise to such groups. Numerous personnel are members of the boards of directors or finance committees of organizations that provide community development services.

In the Northern Region AA, CBNA employees provide a good level of support to various community development service organizations. Members of the CBNA staff and Senior Management participate in 15 organizations concentrating primarily in those organizations focused on providing affordable housing opportunities for low and moderate-income individuals or supporting economic development by financing small businesses in areas targeted for development by state, local or tribal governments.

In the Southern Region AA, CBNA employees have continued to provide good support to various community development service organizations. Members of the CBNA staff and Senior Management participate in 13 organizations concentrating primarily in those organizations focused on affordable housing opportunities and the provision of services aimed at assisting low and moderate-income individuals.

## **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Service Test in the Binghamton AA, the Buffalo-Niagara AA and the Elmira AA is weaker than the bank's overall performance under the Service Test while performance in the Syracuse AA is stronger. The weaker performance is based upon the distribution of CBNA's branches throughout low-income geographies and moderate-income geographies. The bank's performance in the Jamestown AA, the Rochester AA and the Utica-Rome AA, the three largest of the limited scope review AAs, is not inconsistent with the overall performance under the Service Test. These performance differences noted did not have an impact on the lending test conclusions or rating. Refer to Table 15 in the State of New York section of Appendix D for the facts and data that support these conclusions.

## State Rating

### State of Pennsylvania

<b>CRA Rating for Pennsylvania:</b>	<b>Satisfactory</b>
<b>The lending test is rated:</b>	<b>Low Satisfactory</b>
<b>The investment test is rated:</b>	<b>Low Satisfactory</b>
<b>The Service Test is rated:</b>	<b>High Satisfactory</b>

The major factors that support this rating include:

- Lending levels that reflect an adequate responsiveness by CBNA to the credit needs of its AAs.
- Adequate distribution of loans among borrowers of different income levels throughout the AAs.
- Adequate distribution of loans among geographies of different income levels throughout the AAs, along with an excellent ratio of loans originated inside the AAs.
- Investments that reflect an adequate responsiveness to the credit and community development needs of the AAs.
- Service delivery systems that are accessible to geographies and individuals of different income levels in the AAs.
- Adequate performance in providing community development services.

### Description of Institution's Operations in Pennsylvania

CBNA officially expanded into the Pennsylvania marketplace in May 2001 with the merger and acquisition of First Liberty Bank and Trust (First Liberty). CBNA has a single AA within the State of Pennsylvania. The AA consists of the all of Lackawanna County and the northeastern corner of Luzerne County, which is part of the Scanton-Wilkes Barre-Hazleton MSA. CBNA has 13 branches within the state, which represents 11% of the bank's total branch network. The state of Pennsylvania represents 20% of CBNA's total deposits. The bank ranked 49<sup>th</sup> in the state for deposit market share with 0.28% of deposits. During the evaluation period, CBNA originated 4% of its total HMDA and 2% of its total small business loan volume within Pennsylvania.

Refer to the Market Profiles for the State of Pennsylvania in Appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

## **Scope of Evaluation in Pennsylvania**

We conducted a full-scope review of CBNA's single AA in Pennsylvania. Home mortgage lending was given more weight when arriving at the bank's overall performance in lending, based on the volume of home mortgage lending and historical business focus and strategy of the bank. As noted above First Liberty was merged into CBNA in May 2001, therefore only data for 2001 was evaluated.

We conducted a community contact during this evaluation. The organization contacted was a community action corporation concerned with the provision of affordable housing to low and moderate-income individuals. The contact stated the primary credit need was lending affordable housing along with concurrent homebuyer education programs. An additional credit need identified in the assessment area was for small size, low-cost consumer and small business loans. Finally, the contact mentioned the need for low or no-cost deposit products for low and moderate-income individuals. The needs for affordable housing and small business related credit, investments and services in the AA was considered in our evaluation of CBNA's performance in the State of Pennsylvania under the Lending, Investment and Service Tests. Refer to the Market Profile section in Appendix C for more information.

## **LENDING TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the lending test in Pennsylvania is rated "Low Satisfactory". The bank's performance in the Scranton AA is adequate.

### **Lending Activity**

Refer to Table 1 in the State of Pennsylvania section of Appendix D for the facts and data used to evaluate the bank's lending activity.

The bank's leading product was home mortgage loans, representing 68% of the loans originated during the evaluation period with small loans to businesses representing 32% of originated loans in the AA. Among originated home mortgage loans, 53% were home mortgage refinance loans, 24% were for home improvement and 23% were for home purchase. CBNA made no small loans to farms or multifamily loans within the state during the evaluation period.

CBNA's overall lending activity in the AA is adequate. CBNA ranks eighth for deposits with a 2.59% market share. Based on 2001 aggregate HMDA data, CBNA is the number ninth originator/purchaser of home improvement loans (2.38%), ranked 21<sup>st</sup> for refinance loans (1.23%), and 27<sup>th</sup> for home purchase loans (1.01%). Based on 2001 CRA aggregate data, CBNA is the 23<sup>rd</sup> originator/purchaser of small loans to businesses (0.66%).



## **Distribution of Loans by Income Level of the Geography**

The geographic distribution of CBNA's home mortgage loans and small loans to businesses reflect good penetration throughout the AA geographies. The percentage of owner occupied housing in low-income geographies in the AA (0.02%) is too insignificant to evaluate.

### ***Home Mortgage Loans***

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

The overall geographic distribution of home mortgage loans is adequate.

The geographic distribution of home purchase loans is adequate. The portion of home purchase loans made in moderate-income geographies is less than the portion of owner-occupied housing units that are in those geographies. The market share of loans originated in moderate-income geographies is less than overall market share.

The geographic distribution of home improvement loans is excellent. The portion of home improvement loans made in moderate-income geographies exceeds the portion of owner-occupied housing units that are in those geographies. The market share of loans originated in moderate-income geographies exceeds the bank's overall market share of home improvement loans.

The geographic distribution of refinance loans is poor. The portion of refinance loans made in moderate-income geographies is significantly less than the portion of owner-occupied housing units that are in those geographies. The market share of loans originated in moderate-income geographies is less than the bank's overall market share.

### ***Small Loans to Businesses***

Refer to Table 6 in the State of Pennsylvania section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The overall geographic distribution of small loans to businesses is adequate. The portion of small loans to businesses made in low-income geographies exceeds the portion of businesses that are in those geographies while the portion of small loans to businesses made in moderate-income geographies is less than the portion of businesses that are in those geographies. The market share of loans originated in low-income geographies exceeds the bank's overall market share and in the moderate-income geographies is less than the bank's overall market share.

### ***Lending Gap Analysis***

Reports detailing CBNA's lending activity over the evaluation period for home mortgage loans and small loans to businesses were reviewed to identify gaps in the geographic distribution of loans. No unexplained conspicuous gaps were identified.

### ***Inside/Outside Ratio***

This portion of the evaluation was performed at the bank level. A substantial majority (94%) of the home mortgage loans, small business loans, small farm loans and CD loans were made within the bank's AAs. By product, 94% of the bank's home mortgage loans, 94% of the small loans to businesses, 93% of the small loans to farms and 100% of the CD loans were within the bank's AAs. The home mortgage products were each close to the 94% overall in/out ratio with home purchase at 97%, home improvement at 94%, and refinances at 93%. 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 CBNA's home mortgage and small loans to businesses reflects an adequate dispersion among borrowers of different income levels. In the evaluation of borrower distribution, we gave consideration to the high poverty level in the AA of 12.87%. Due to reasons of affordability, it is unlikely that 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***

Refer to Tables 8, 9, and 10 in the State of Pennsylvania section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

The overall distribution of home mortgage loans is adequate.

Home purchase loan borrower distribution is adequate. The portion of home purchase loans to low-income borrowers is lower than the portion of low-income families, but is excellent when adjusted for the 12.87% of families living below the poverty level. The portion of home purchase loans to moderate-income borrowers is significantly less than the portion of families defined as such. The market share for loans made to low-income borrowers exceeds and to moderate-income borrowers is less than CBNA's overall market share in the AA for home purchase loans.

Home improvement loan borrower distribution is excellent. The portion of home improvement loans to low-income borrowers exceeds the portion of families defined as such in the AA. The portion of home improvement loans to moderate-income borrowers

is near to the portion of moderate-income families. The market share for loans made to low-income borrowers exceeds and for moderate-income borrowers substantially meets CBNA's overall market share for home improvement loans.

Refinance loan borrower distribution is adequate. The portion of refinance loans to low-income borrowers is less than the portion of families defined as such, but is considered good when adjusted for the 12.87% of families living below the poverty level. The portion of refinance loans to moderate-income borrowers is also less than the portion of moderate-income families. The market share for loans made to low-income borrowers and to moderate-income borrowers both substantially meet CBNA's overall market share in the AA for refinance loans.

### ***Small Loans to Businesses***

Refer to Table 11 in the State of Pennsylvania section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

The borrower distribution of small loans to businesses is adequate. The portion of CBNA loans to small businesses (businesses with revenues of \$1 million or less) is less than the portion of businesses that are defined as such in the AA. The portion of loans of \$100,000 or less is less than the portion of small-size businesses in each AA. The market share of small loans to small businesses exceeds CBNA's overall market share in this AA.

### **Community Development Lending**

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

CBNA's level of community development lending had a neutral impact on the evaluation of its lending performance activity in the State of Pennsylvania. CBNA originated 12 CD loans for \$133 thousand in its Scranton AA during the evaluation period. The loans were all made through participation in a lender consortium of a local neighborhood housing organization. The funds are loaned to low and moderate-income homebuyers who cannot qualify for conventional financing with each member of the consortium participating in equal shares in each loan. The \$133 thousand constitutes the amount extended by CBNA only.

### **Product Innovation and Flexibility**

Aside from traditional loan products offered, including SBA loans, which may have flexible terms, none of the products were considered innovative or flexible.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the investment test in Pennsylvania is "Low Satisfactory". Based on the full scope review, the bank's performance in the Scranton AA is adequate.

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

The level of investment is adequate, given the level of and competition for community development opportunities in the AA. Three of the six current investments, or \$907 thousand, made a positive impact on the community by addressing the identified credit needs of affordable housing for low and moderate-income individuals. The three remaining investments were for community services targeted to low and moderate-income individuals. None of the investments are considered innovative or complex.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance in Pennsylvania under the Service Test is rated "High Satisfactory".

### **Retail Banking Services**

Refer to Table 15 in the State of Pennsylvania section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

CBNA's delivery systems are accessible to geographies and individuals of different income levels throughout the AA.

The distribution of CBNA offices throughout the low-income geographies exceeds the distribution of the population living in such geographies. While the distribution of CBNA's offices throughout the moderate-income geographies is below the distribution of the population living in such geographies, other branches while not physically located in moderate-income geographies, are located in convenient proximity to service several moderate-income geographies. CBNA's Carbondale branch while located in a middle-income geography, is very convenient to residents of the moderate-income geography also within the City of Carbondale. The moderate-income geography is adjacent to the branch and is within short walking distance for most residents. Additionally, the City is serviced by the County of Lackawanna Transit System (COLTS), which provides an affordable means of mass transportation. COLTS has a stop approximately one-quarter mile from the Carbondale branch location. CBNA's Pittston branch while located in a

middle-income geography, is also very convenient to the residents of two bordering moderate-income geographies. The branch is located at the intersection of the three geographies and is a short to moderate walk for most residents of either moderate-income geography.

CBNA's hours and services offered throughout the full-scope AA are good. The same services are offered throughout the various branch locations regardless of the income level of the geography. While CBNA does not offer Saturday hours in its Spruce Street branch, which is located in a low-income geography, this decision was based on an analysis of the banking needs of the geography and how they could be best served. The analysis determined that the customer traffic on Saturdays, in the essentially commercial area, was almost non-existent. The potential for customer traffic from the near-by shopping mall was limited as the branch was not readily accessible. The bank determined that the Wyoming Avenue branch, which is located approximately 5 minutes from the Spruce Street branch and more readily accessible to the potential customer traffic could better serve the banking needs of the area and would remain open for extended and Saturday hours. Additionally, the Wyoming Avenue branch contains drive-up access, which is not available in the Spruce Street branch.

CBNA offers alternative delivery systems in the form of ATMs. The geographic distribution of the bank's ATMs in the various categories of income geographies is similar to its branch distribution. Customers and non-customers alike can access their accounts through CBNA ATMs, which are connected to the CIRRUS, NYCE, PLUS and STAR ATM systems. Customers may also use their CBNA ATM card to obtain cash at non-proprietary ATMs throughout the world, which bear the CIRRUS, NYCE, PLUS or STAR logos.

CBNA also offers alternative delivery systems of on-line banking, bank-by-phone and bank-by-mail. These services allow customers to obtain deposit and loan account information, make payments on CBNA loans, transfer funds, and pay other household bills. We did not place significant weight on these alternative delivery systems because no data was available to determine the impact of these retail-banking services on low and moderate-income geographies and individuals.

## **Community Development Services**

CBNA's performance in providing community development services in the State of Pennsylvania is adequate.

CBNA management and employees provide an adequate level of support to various community development service organizations. Members of the CBNA staff and Senior Management actively participate in five community development related organizations and serve on the Boards of Directors or Loan and Finance Committees for three of these. The bank's support is concentrated primarily in those organizations focused on providing affordable housing opportunities for low and moderate-income individuals and those providing services aimed at assisting low and moderate-income individuals.

## Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and non-metropolitan 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”).

<b>Time Period Reviewed</b>	Lending Test NY (excludes CD Loans): 01/01/99 to 12/31/01 Lending Test PA (excludes CD Loans): 01/01/01 to 12/31/01 Investment, Service Tests and CD Loans NY: 09/20/99 to 10/07/02 Investment, Service Tests and CD Loans PA: 01/01/01 to 10/07/02	
<b>Financial Institution</b>		<b>Products Reviewed</b>
Community Bank, NA (CBNA) Canton, New York		Home Purchase, Home Improvement and Refinance Loans reported on the HMDA LAR, Small Business and Small Farm Loans reported on the CRA Register and CD Loans
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
New York Northern Region AA Southern Region AA Binghamton MSA #0960 Buffalo/Niagara MSA #1280 Elmira MSA #2335 Jamestown MSA #3610 Rochester MSA #6840 Syracuse MSA #8160 Utica/Rome MSA #8680  Pennsylvania Scranton/Wilkes-Barre/ Hazleton MSA #7560	Full Scope Full Scope Limited Scope Limited Scope Limited Scope Limited Scope Limited Scope Limited Scope Full Scope	

## Appendix B: Summary of State Ratings

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RATINGS				
Community Bank, NA				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State Rating
Community Bank, NA	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
State:				
New York	High Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
Pennsylvania	Low Satisfactory	Low Satisfactory	High Satisfactory	Satisfactory

(\* ) The lending test is weighted more heavily than the investment and service tests in the overall rating.

# Appendix C: Market Profiles for Full-Scope Areas

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## Table of Contents

### Market Profiles for Areas Receiving Full-Scope Reviews

Northern Region AA .....	2
Southern Region AA.....	4
Scranton/Wilkes-Barre/Hazleton MSA AA.....	6



# State of New York Full-Scope Areas

## Northern Region AA

Demographic Information for Full-Scope Area: Northern Region AA							
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #	
Geographies (Census Tracts/BNAs)	74	5.41	24.32	63.51	4.05	2.70	
Population by Geography	296,253	2.28	26.31	66.79	4.19	0.43	
Owner-Occupied Housing by Geography	68,895	0.10	21.64	74.17	4.09	0.00	
Businesses by Geography	10,289	7.47	23.01	64.54	4.33	0.63	
Farms by Geography	1,106	0.99	25.41	72.69	0.81	0.09	
Family Distribution by Income Level	73,750	22.71	19.69	24.45	33.15	0.00	
Distribution of Low- and Moderate-Income Families throughout AA Geographies	31,274	0.73	32.11	64.83	2.33	0.00	
Median Family Income	= \$31,472						
HUD Adjusted Median Family Income for 2001	= \$41,400	Median Housing Value				= \$52,038	
Households Below the Poverty Level	= 15.07%	Unemployment Rate				= 4.22%	

(\*) The NA category consists of geographies that have not been assigned an income classification.  
 Source: 1990 U.S. Census, and 2001 HUD updated MFI.

The Northern Region AA consists of substantially all of Franklin, Jefferson, Lewis and St. Lawrence counties. Management excluded some geographies as they could not reasonably be serviced by their branch locations. The AA meets the requirement of the regulation and does not arbitrarily exclude low- or moderate-income geographies. The composition of the AA geographies by income level is: 5% low-income, 24% moderate-income, 64% middle-income, 4% upper-income and 3% for which income has not been designated.

The level of competition among financial service providers in the AA is relatively high. CBNA competes with large mortgage companies, large interstate regional banking companies, credit unions and various community and savings banks. According to the FDIC market share report as of June 30, 2001, CBNA is ranked number one for market share of deposits in the AA at 23.78%. CBNA is a full service lender offering a broad menu of lending products that include business loans, home mortgage loans, home equity loans, and installment loans. The bank's business focus is primarily on retail lending.

Seventy-seven percent of the housing in the AA is one to four family units, 14% is mobile homes, 8% is multifamily units and 1% is condominiums. Of total housing units,

50% is owner-occupied, 26% is renter-occupied, and 24% is vacant. The median housing value was \$52,038 in the 1990 census. Housing stock consists mostly of older homes with the median year built of 1952.

According to the 2001 business demographics there are 11,395 businesses in the AA, of which 1,106 are farms. Small businesses represent 87% of the businesses. Approximately 80% of businesses reported having less than 10 employees. The primary industries in the AA are services 35%, retail trade 23%, and agriculture 10%. Major employers in the AA include Reynolds Aluminum, Alcoa Aluminum, State and local government and several two and four-year Universities.

The AA has community development opportunities available in the areas of community development lending, services and investment. Community development opportunities are available based on OCC internal resources and community contacts made in the AA.

## Southern Region AA

Demographic Information for Full-Scope Area: Southern Region AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	86	2.33	9.30	80.23	4.65	3.49
Population by Geography	304,524	0.07	9.66	84.14	6.13	0.00
Owner-Occupied Housing by Geography	81,467	0.05	8.89	85.89	5.16	0.00
Businesses by Geography	10,884	0.05	10.57	83.54	5.83	0.01
Farms by Geography	1,317	0.00	8.96	88.08	2.96	0.00
Family Distribution by Income Level	79,730	20.24	20.42	24.92	34.41	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	32,424	0.13	12.18	84.26	3.43	0.00
Median Family Income	= \$31,472					
HUD Adjusted Median Family Income for 2001	= \$41,400					
Households Below the Poverty Level	= 12.72%					
			Median Housing Value		= \$46,426	
			Unemployment Rate		= 3.41%	

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

Source: 1990 U.S. Census, and 2001 HUD updated MFI.

The Southern Region AA consists of substantially all of Allegany, Cattaraugus, Schuyler, Seneca, Steuben and Yates counties. Management excluded certain geographies that could not reasonably be serviced by their branch locations. The AA meets the requirement of the regulation and does not arbitrarily exclude low- or moderate-income geographies. The composition of the AA geographies by income level is: 2% low-income, 9% moderate-income, 80% middle-income, 5% upper-income and 4% for which income has not been designated.

The level of competition among financial service providers in the AA is relatively high. CBNA competes with large mortgage companies, large interstate regional banking companies, credit unions and various community and savings banks. According to the FDIC market share report as of June 30, 2001, CBNA is ranked number one for market share of deposits in the AA at 22.08%. CBNA is a full service lender offering a broad menu of lending products that include business loans, home mortgage loans, home equity loans, and installment loans. The bank's business focus is primarily on retail lending.

Seventy-nine percent of the housing in the AA is one to four family units, 15% is mobile homes, 5% is multifamily units and 1% is condominiums. Of total housing units, 61% is owner-occupied, 22% is renter-occupied, and 17% is vacant. The median housing

value was \$46,426 in the 1990 census. Housing stock consists mostly of older homes with the median year built of 1951.

According to the 2001 business demographics there are 12,201 businesses in the AA, of which 1,317 are farms. Small businesses represent 88% of the businesses. Approximately 81% of businesses reported having less than 10 employees. The primary industries in the AA are services 37%, retail trade 22%, and agriculture 11%. Major employers in the AA include Alcast Cutlery, Dresser-Rand Industries and Corning Glass.

The AA has community development opportunities available in the areas of community development lending, services and investment. Community development opportunities are available based on OCC internal resources and community contacts made in the AA.

## State of Pennsylvania Full-Scope Areas

### Scranton/Wilkes-Barre/Hazleton MSA AA

Demographic Information for Full-Scope Area: Scranton/Wilkes-Barre/Hazleton MSA AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	108	1.85	11.11	77.78	9.26	0.00
Population by Geography	365,853	0.75	10.17	77.30	11.78	0.00
Owner-Occupied Housing by Geography	94,369	0.02	6.65	81.07	12.25	0.00
Businesses by Geography	16,273	5.52	11.13	70.71	12.63	0.00
Farms by Geography	256	0.39	5.47	79.30	14.84	0.00
Family Distribution by Income Level	97,958	18.89	18.27	24.54	38.31	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	36,394	0.58	13.74	79.32	6.37	0.00
Median Family Income	= \$30,676	Median Housing Value			= \$61,601	
HUD Adjusted Median Family Income for 2001	= \$43,300	Unemployment Rate			= 2.72%	
Households Below the Poverty Level	= 12.87%					

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 1990 U.S. Census, and 2001 HUD updated MFI.

The Scranton/Wilkes-Barre/Hazleton MSA AA consists of all of Lackawanna County and the northeastern most geographies of Luzerne County. The AA meets the requirements of the regulation and does not arbitrarily exclude low- or moderate-income geographies. The composition of the AA geographies by income level is: 2% low-income, 11% moderate-income, 78% middle-income, and 9% upper-income.

The level of competition among financial service providers in the AA is very high. CBNA competes with large mortgage companies, large interstate regional banking companies, and various community and savings banks. According to the FDIC market share report as of June 30, 2001, CBNA is ranked number five for market share of deposits in the AA at 6.30%. CBNA is a full service lender offering a broad menu of lending products that include business loans, home mortgage loans, home equity loans, and installment loans. The bank's business focus is primarily on retail lending.

Eighty-five percent of the housing in the AA is one to four family units, 10% is multifamily units, 4% is mobile homes, and 1% is condominiums. Of total housing units, 61% is owner-occupied, 32% is renter-occupied, and 7% is vacant. The median housing value was \$61,601 in the 1990 census. Housing stock consists mostly of older homes with the median year built of 1946.

According to the 2001 business demographics there are 16,529 businesses in the AA, of which 256 are farms. Small businesses represent 86% of the businesses. Approximately 77% of businesses reported having less than 10 employees. The primary industries in the AA are services 41%, retail trade 24%, and construction 9%. Major employers in the AA include Allied Services, WEA Manufacturing Techneglass and State and Federal government.

The AA has community development opportunities available in the areas of community development lending, services and investment. Community development opportunities are available based on OCC internal resources, community contacts and public information.

# Appendix D: Tables of Performance Data

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## Table of Contents

<b>CONTENT OF STANDARDIZED TABLES .....</b>	<b>2</b>
<b>TABLES OF PERFORMANCE DATA .....</b>	<b>5</b>
STATE OF NEW YORK .....	5
<b>TABLES OF PERFORMANCE DATA .....</b>	<b>19</b>
STATE OF PENNSYLVANIA.....	19

## Content of Standardized Tables

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References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to Appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area. Tables without data are not included in this PE.

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. Refer to Interagency Q&As - 12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption, such as “Statewide/Regional” or “Out of Assessment Area,” in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column.
- 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** – See Table 2.
- 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 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 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 MSA/assessment area.

**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. When such investments exist, insert a line item with the appropriate caption, such as "Statewide/Regional" or "Out of Assessment Area," in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column.

**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.

**Tables of Performance Data**

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**State of New York**

BANK, N.A.

**Table 1. Lending Volume**

LENDING VOLUME													Geography: NEW YORK		Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001	
MA/Assessment Area (2001):	% 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)					
<b>Full Review:</b>																
Northern Region Non-MSA	47.92	4,687	143,637	2,387	114,960	737	28,897	3	52	7,814	287,546	40.81				
Southern Region Non-MSA	28.46	3,370	102,146	1,138	72,803	130	7,129	28	2,851	4,666	184,929	34.26				
<b>Limited Review:</b>																
Binghamton MSA AA	1.36	133	2,707	48	5,269	40	1,662	2	393	223	10,031	2.72				
Buffalo/Niagara MSA AA	0.64	90	2,687	14	468	1	31	0	0	105	3,186	0.31				
Elmira MSA AA	1.26	182	6,794	23	2,778	0	0	0	0	205	9,572	0.31				
Jamestown MSA AA	8.69	1,080	30,701	283	21,816	53	1,959	5	371	1,421	54,847	4.80				
Rochester MSA AA	4.85	493	15,601	253	12,148	44	2,339	0	0	790	30,088	7.37				
Syracuse MSA AA	4.64	561	18,864	154	6,004	41	2,121	0	0	756	26,989	3.99				
Utica/Rome MSA AA	2.19	224	9,028	115	4,411	18	473	0	0	357	13,912	5.43				

\* Loan Data as of December 31, 2001. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is From September 20, 1999 to October 7, 2002.

\*\*\* Deposit Data as of December 31, 2001. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

N.A.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE DECEMBER 31, 2001		Geography: NEW YORK						Evaluation Period: JANUARY 1, 1999 TO							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units**	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Northern Region Non-MSA AA	1,179	54.01	0.10	0.17	21.64	17.73	74.17	78.71	4.09	3.31	16.55	0.00	19.80	16.50	9.87
Southern Region Non-MSA AA	549	25.15	0.05	0.18	8.89	8.93	85.89	83.79	5.16	6.74	7.81	0.00	8.57	8.00	5.19
Binghamton MSA AA	14	0.64	0.00	0.00	22.33	0.00	29.25	85.71	48.41	14.29	1.51	0.00	0.00	5.13	0.41
Buffalo/Niagara MSA AA	6	0.27	0.10	0.00	6.87	0.00	93.03	100.00	0.00	0.00	1.14	0.00	0.00	1.20	0.00
Elmira MSA AA	17	0.78	0.49	0.00	6.43	0.00	67.64	41.18	25.44	58.82	0.44	0.00	0.00	0.55	0.31
Jamestown MSA AA	142	6.50	0.90	0.70	8.06	4.93	84.12	91.55	6.93	2.82	4.02	5.56	1.94	4.44	1.48
Rochester MSA AA	90	4.12	0.00	0.00	18.58	22.22	75.14	76.67	6.27	1.11	0.91	0.00	2.22	0.87	0.00
Syracuse MSA AA	140	6.41	0.00	0.00	16.16	20.00	75.67	77.14	8.17	2.86	3.15	0.00	4.10	3.14	1.37
Utica/Rome MSA AA	46	2.11	0.00	0.00	0.00	0.00	89.05	100.00	10.95	0.00	3.49	0.00	0.00	3.07	0.00

\* Based on 2001 Peer Mortgage Data: Northeast Region.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

N.A.

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT DECEMBER 31, 2001		Geography: NEW YORK						Evaluation Period: JANUARY 1, 1999 TO							
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units** *	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units** *	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Northern Region Non-MSA AA	2,194	45.07	0.10	0.05	21.64	27.07	74.17	69.83	4.09	3.01	47.78	0.00	50.92	46.55	45.61
Southern Region Non-MSA AA	1,480	30.40	0.05	0.07	8.89	8.99	85.89	87.97	5.16	2.84	41.31	0.00	43.97	40.99	43.64
Binghamton MSA AA	94	1.93	0.00	0.00	22.33	4.26	29.25	74.47	48.41	21.28	15.73	0.00	1.82	34.41	6.00
Buffalo/Niagara MSA AA	35	0.72	0.10	0.00	6.87	17.14	93.03	82.86	0.00	0.00	18.60	0.00	50.00	16.53	0.00
Elmira MSA AA	34	0.70	0.49	0.00	6.43	0.00	67.64	76.47	25.44	23.53	5.76	50.00	0.00	6.36	4.55
Jamestown MSA AA	406	8.34	0.90	0.74	8.06	3.20	84.12	94.83	6.93	1.23	37.63	20.00	24.00	39.87	19.35
Rochester MSA AA	262	5.38	0.00	0.00	18.58	22.90	75.14	76.72	6.27	0.38	10.80	0.00	9.79	11.95	0.00
Syracuse MSA AA	258	5.30	0.00	0.00	16.16	20.93	75.67	74.81	8.17	4.26	10.65	0.00	14.18	9.66	13.04
Utica/Rome MSA AA	105	2.16	0.00	0.00	0.00	0.00	89.05	100.00	10.95	0.00	8.99	0.00	0.00	9.80	0.00

\* Based on 2001 Peer Mortgage Data: Northeast Region.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

N.A.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE DECEMBER 31, 2001		Geography: NEW YORK								Evaluation Period: JANUARY 1, 1999 TO					
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Northern Region Non-MSA AA	1,304	34.77	0.10	0.08	21.64	19.02	74.17	76.61	4.09	4.29	19.69	10.00	19.14	20.21	19.23
Southern Region Non-MSA AA	1,339	35.71	0.05	0.00	8.89	10.16	85.89	85.06	5.16	4.78	23.22	0.00	31.27	23.46	11.81
Binghamton MSA AA	25	0.67	0.00	0.00	22.33	4.00	29.25	84.00	48.41	12.00	2.02	0.00	2.35	5.05	0.47
Buffalo/Niagara MSA AA	49	1.31	0.10	2.04	6.87	0.00	93.03	97.96	0.00	0.00	10.82	33.33	0.00	10.79	0.00
Elmira MSA AA	131	3.49	0.49	0.76	6.43	6.11	67.64	60.31	25.44	32.82	7.87	0.00	7.62	7.97	7.76
Jamestown MSA AA	528	14.08	0.90	1.52	8.06	4.17	84.12	88.45	6.93	5.87	18.62	10.81	10.79	19.56	16.00
Rochester MSA AA	141	3.76	0.00	0.00	18.58	21.28	75.14	78.01	6.27	0.71	2.14	0.00	3.26	2.21	0.00
Syracuse MSA AA	161	4.29	0.00	0.00	16.16	19.88	75.67	78.26	8.17	1.86	2.67	0.00	3.19	2.85	0.50
Utica/Rome MSA AA	72	1.92	0.00	0.00	0.00	0.00	89.05	100.00	10.95	0.00	4.09	0.00	0.00	4.55	0.00

\* Based on 2001 Peer Mortgage Data: Northeast Region.

\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

N.A.

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES						Geography: NEW YORK					Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31, 2001				
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 Businesse***	% BANK Loans	% of Businesse***	% BANK Loans	% of Businesse***	% BANK Loans	% of Businesse***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Northern Region Non-MSA AA	2,387	54.07	7.47	1.63	23.01	23.21	64.54	70.84	4.33	4.23	19.99	7.29	24.55	22.39	15.79
Southern Region Non-MSA AA	1,138	25.78	0.05	0.00	10.57	9.58	83.54	84.62	5.83	5.71	10.17	0.00	13.32	10.44	9.90
Binghamton MSA AA	48	1.09	0.00	0.00	22.63	2.08	47.71	83.33	29.66	14.58	1.49	0.00	1.56	2.26	0.00
Buffalo/Niagara MSA AA	14	0.32	0.21	0.00	8.45	7.14	91.34	92.86	0.00	0.00	0.17	0.00	0.09	0.34	0.04
Elmira MSA AA	23	0.52	4.26	0.00	23.32	13.04	51.83	34.78	20.57	52.17	0.70	0.00	0.40	0.40	1.81
Jamestown MSA AA	283	6.41	9.50	6.01	10.68	7.07	71.53	84.10	8.29	2.83	6.71	4.43	4.21	8.43	2.25
Rochester MSA AA	253	5.73	0.00	0.00	20.96	26.48	67.40	72.33	11.48	1.19	2.30	0.00	3.94	2.47	0.20
Syracuse MSA AA	154	3.49	0.00	0.00	25.65	20.78	67.77	73.38	6.51	5.84	0.56	0.10	0.66	0.69	0.49
Utica/Rome MSA AA	115	2.60	0.00	0.00	0.00	0.00	93.91	100.00	6.09	0.00	0.87	0.00	0.00	1.69	0.00

\* Based on 2001 Peer Small Business Data: US&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 (2001).



BANK, N.A.

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS DECEMBER 31, 2001			Geography: NEW YORK								Evaluation Period: JANUARY 1, 1999 TO				
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 Farms***	% BANK Loans	% of Farms* *	% BANK Loans	% of Farms* *	% BANK Loans	% of Farms* *	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Northern Region Non-MSA AA	737	69.27	0.99	0.00	25.41	13.30	72.69	86.30	0.81	0.41	50.88	100.00	24.55	66.81	50.00
Southern Region Non-MSA AA	130	12.22	0.00	0.00	8.96	8.46	88.08	91.54	2.96	0.00	9.96	0.00	30.43	9.60	0.00
Binghamton MSA AA	40	3.76	0.00	0.00	23.33	10.00	51.11	60.00	25.56	30.00	47.73	0.00	20.00	56.25	28.57
Buffalo/Niagara MSA AA	1	0.09	0.00	0.00	0.72	0.00	99.28	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Elmira MSA AA	0	0.00	0.00	0.00	6.35	0.00	69.05	0.00	24.60	0.00	0.00	0.00	0.00	0.00	0.00
Jamestown MSA AA	53	4.98	0.99	0.00	0.59	0.00	95.45	100.00	2.97	0.00	70.69	0.00	0.00	73.21	0.00
Rochester MSA AA	44	4.14	0.00	0.00	19.44	29.55	74.01	70.45	6.55	0.00	6.21	0.00	17.78	3.09	0.00
Syracuse MSA AA	41	3.85	0.00	0.00	8.68	29.27	81.32	70.73	10.00	0.00	25.60	0.00	66.67	23.29	30.00
Utica/Rome MSA AA	18	1.69	0.00	0.00	0.00	0.00	97.74	100.00	2.26	0.00	2.78	0.00	0.00	3.21	0.00

\* Based on 2001 Peer Small Business Data: US&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.

\*\*\* Source Data - Dun and Bradstreet (2001).

\*\*\*\* CBNA's market share in the low income geographies on the Northern Region appears as 100% because only one loan was made to a small farm in a low income geography in 2001 and this loan was made by CBNA. This loan is mathematically 0.00% of the bank's total loans.

BANK, N.A.

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE DECEMBER 31, 2001		Geography: NEW YORK								Evaluation Period: JANUARY 1, 1999 TO					
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families****	% BANK Loans**	% Families**	% BANK Loans**	% Families***	% BANK Loans**	% Families***	% BANK Loans**	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Northern Region Non-MSA AA	1,179	54.01	22.71	8.71	19.69	19.83	24.45	27.76	33.15	43.71	20.70	26.55	18.86	19.36	21.41
Southern Region Non-MSA AA	549	25.15	20.24	5.90	20.42	19.24	24.92	30.29	34.41	44.57	8.35	5.92	7.11	10.06	8.31
Binghamton MSA AA	14	0.64	17.25	21.43	17.71	7.14	24.73	35.71	40.31	35.71	1.69	7.14	0.00	2.61	1.09
Buffalo/Niagara MSA AA	6	0.27	17.31	0.00	21.63	0.00	27.23	40.00	33.83	60.00	0.95	0.00	0.00	1.54	1.41
Elmira MSA AA	17	0.78	18.75	6.67	18.82	26.67	23.45	26.67	38.98	40.00	0.40	1.64	0.45	0.37	0.22
Jamestown MSA AA	142	6.50	19.40	2.94	18.10	25.74	23.68	33.82	38.82	37.50	4.60	3.51	5.13	4.59	4.42
Rochester MSA AA	90	4.12	19.39	15.66	21.17	28.92	27.23	27.71	32.21	27.71	1.03	1.54	0.88	1.29	0.81
Syracuse MSA AA	140	6.41	22.42	7.86	19.32	30.71	24.69	28.57	33.56	32.86	3.79	5.97	5.24	2.61	3.00
Utica/Rome MSA AA	46	2.11	16.18	2.22	20.07	24.44	27.24	20.00	36.51	53.33	4.29	4.55	5.45	2.17	4.97

\* Based on 2001 Peer Mortgage Data: Northeast Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 2.75% of loans originated and purchased by CBNA.

\*\*\* Percentage of Families is based on the 1990 Census information.

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

N.A.

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT DECEMBER 31, 2001		Geography: NEW YORK								Evaluation Period: JANUARY 1, 1999 TO					
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**	% BANK Loans**	% Families***	% BANK Loans**	% Families***	% BANK Loans**	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Northern Region Non-MSA AA	2,194	45.07	22.71	15.62	19.69	23.11	24.45	29.10	33.15	32.17	47.54	55.96	43.49	48.48	46.77
Southern Region Non-MSA AA	1,480	30.40	20.24	13.88	20.42	25.55	24.92	27.02	34.41	33.55	33.71	35.56	36.01	32.75	32.16
Binghamton MSA AA	94	1.93	17.25	16.30	17.71	19.57	24.73	32.61	40.31	31.52	15.23	21.62	23.91	13.79	9.80
Buffalo/Niagara MSA AA	35	0.72	17.31	12.50	21.63	18.75	27.23	37.50	33.83	31.25	9.17	0.00	20.00	7.50	9.52
Elmira MSA AA	34	0.70	18.75	11.76	18.82	11.76	23.45	29.41	38.98	47.06	1.39	0.00	0.00	2.40	1.73
Jamestown MSA AA	406	8.34	19.40	14.49	18.10	32.16	23.68	26.86	38.82	26.50	22.70	47.62	33.87	18.67	14.29
Rochester MSA AA	262	5.38	19.39	14.34	21.17	27.87	27.23	37.30	32.21	20.49	9.79	7.35	8.18	14.71	7.24
Syracuse MSA AA	258	5.30	22.42	12.89	19.32	26.95	24.69	28.13	33.56	32.03	10.76	16.47	12.85	7.94	9.82
Utica/Rome MSA AA	105	2.16	16.18	10.78	20.07	23.53	27.24	30.39	36.51	35.29	9.16	8.33	7.94	7.69	11.34

\* Based on 2001 Peer Mortgage Data: Northeast Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 9.90% of loans originated and purchased by CBNA.

\*\*\* Percentage of Families is based on the 1990 Census information.

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

N.A.

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE DECEMBER 31, 2001			Geography: NEW YORK								Evaluation Period: JANUARY 1, 1999 TO				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families***	% BANK Loans**	% Families**	% BANK Loans**	% Families***	% BANK Loans**	% Families***	% BANK Loans**	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Northern Region Non-MSA AA	1,304	34.77	22.71	4.58	19.69	14.68	24.45	31.02	33.15	49.72	22.46	24.14	19.65	24.15	22.34
Southern Region Non-MSA AA	1,339	35.71	20.24	4.40	20.42	16.39	24.92	30.35	34.41	48.86	9.48	8.67	9.85	9.08	9.63
Binghamton MSA AA	25	0.67	17.25	4.00	17.71	28.00	24.73	20.00	40.31	48.00	2.06	0.00	6.67	2.91	0.58
Buffalo/Niagara MSA AA	49	1.31	17.31	0.00	21.63	33.33	27.23	40.00	33.83	26.67	0.88	0.00	0.00	1.82	0.65
Elmira MSA AA	131	3.49	18.75	4.76	18.82	0.00	23.45	38.10	38.98	57.14	0.78	0.00	0.00	0.99	0.96
Jamestown MSA AA	528	14.08	19.40	7.41	18.10	16.67	23.68	32.10	38.82	43.83	4.69	12.00	4.84	5.44	3.63
Rochester MSA AA	141	3.76	19.39	6.19	21.17	30.97	27.23	26.55	32.21	36.28	1.63	1.49	3.12	1.16	1.27
Syracuse MSA AA	161	4.29	22.42	12.03	19.32	24.68	24.69	29.11	33.56	34.18	2.97	6.35	4.14	3.14	1.88
Utica/Rome MSA AA	72	1.92	16.18	1.39	20.07	12.50	27.24	25.00	36.51	61.11	4.67	0.00	4.35	5.11	4.76

\* Based on 2001 Peer Mortgage Data: Northeast Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 33.55% of loans originated and purchased by CBNA. The substantially majority of this is a result of loans purchased by CBNA.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

N.A.

**Table11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES DECEMBER 31, 2001					Geography: NEW YORK			Evaluation Period: JANUARY 1, 1999 TO	
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
<b>Full Review:</b>									
Northern Region Non-MSA AA	2,387	54.07	86.07	83.66	89.99	6.58	3.44	19.98	34.34
Southern Region Non-MSA AA	1,138	25.78	87.24	79.09	86.82	7.91	5.27	10.17	13.78
Binghamton MSA AA	48	1.09	87.29	62.50	75.00	14.58	10.42	1.49	2.75
Buffalo/Niagara MSA AA	14	0.32	83.42	78.57	92.86	7.14	0.00	0.17	0.42
Elmira MSA AA	23	0.52	87.71	91.30	73.91	13.04	13.04	0.70	1.60
Jamestown MSA AA	283	6.41	85.75	72.44	80.57	13.78	5.65	6.71	13.54
Rochester MSA AA	253	5.73	86.68	85.77	90.91	5.14	3.95	2.30	3.62
Syracuse MSA AA	154	3.49	86.92	86.36	91.56	7.14	1.30	0.56	1.08
Utica/Rome MSA AA	115	2.60	86.65	84.35	93.04	5.22	1.74	0.87	1.62

\* Based on 2001 Peer Small Business Data: US&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 - 2001).

\*\*\*\* 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 0.34% of small loans to businesses originated and purchased by CBNA.

N.A.

**Table12. Borrower Distribution of Small Loans to Farms**

Borrower Distribution: SMALL LOANS TO FARMS DECEMBER 31, 2001		Geography: NEW YORK			Evaluation Period: JANUARY 1, 1999 TO				
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
<b>Full Review:</b>									
Northern Region Non-MSA AA	737	69.27	95.30	96.07	90.77	6.51	2.71	50.88	51.42
Southern Region Non-MSA AA	130	12.22	95.37	94.62	86.15	9.23	4.62	9.96	10.06
Binghamton MSA AA	40	3.76	87.78	97.50	90.00	7.50	2.50	47.73	47.73
Buffalo/Niagara MSA AA	1	0.09	95.65	100.00	100.00	0.00	0.00	0.00	0.00
Elmira MSA AA	0	0.00	95.24	0.00	0.00	0.00	0.00	0.00	0.00
Jamestown MSA AA	53	4.98	95.64	96.23	92.45	7.55	0.00	70.69	76.92
Rochester MSA AA	44	4.14	92.32	97.73	86.36	11.36	2.27	6.21	6.42
Syracuse MSA AA	41	3.85	91.58	100.00	85.37	14.63	0.00	25.60	30.22
Utica/Rome MSA AA	18	1.69	98.50	100.00	100.00	0.00	0.00	2.78	3.01

\* Based on 2001 Peer Small Business Data: US&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 - 2001).

\*\*\*\* 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 0.75% of small loans to farms originated and purchased by CBNA.

N.A.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS 2001		Geography: NEW YORK				Evaluation Period: JANUARY 1, 1999 TO DECEMBER 31,			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Northern Region Non-MSA AA	3	397	44	715	47	1,114	9.50	0	0
Southern Region Non-MSA AA	2	165	23	4,213	25	4,378	37.32	0	0
<b>Limited Review:</b>									
Binghamton MSA AA	1	85	7	149	8	234	2.00	0	0
Buffalo/Niagara MSA AA	0	0	2	84	2	84	0.72	0	0
Elmira MSA AA	0	0	1	1	1	1	0.00	0	0
Jamestown MSA AA	1	20	9	1,351	10	1,371	11.69	0	0
Rochester MSA AA	6	881	20	2,497	26	3,378	28.80	0	0
Syracuse MSA AA	4	579	11	361	15	940	8.01	0	0
Utica/Rome MSA AA	1	102	2	129	3	231	2.97	0	0

\* '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.

N.A.

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS JANUARY 1, 1999 TO DECEMBER 31, 2001								Geography: NEW YORK				Evaluation Period:					
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
<b>Full Review:</b>																	
Northern Region Non-MSA AA	40.81	28	28.50	4.00	32.00	57.00	7.00	5	0	0	5	0	0	2.28	26.31	66.79	4.19
Southern Region Non-MSA AA	34.26	38	38.50	0.00	8.00	84.00	8.00	18	1	0	1	16	0	0.07	9.66	84.14	6.13
<b>Limited Review:</b>																	
Binghamton MSA AA	2.72	2	2.00	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	23.80	31.30	44.90
Buffalo/Niagara MSA AA	0.31	1	1.00	0.00	0.00	100.00	0.00	1	0	0	0	1	0	7.65	7.31	85.04	0.00
Elmira MSA AA	0.31	1	1.00	0.00	0.00	0.00	100.00	1	0	0	0	0	1	2.57	12.68	61.71	21.17
Jamestown MSA AA	4.80	12	12.00	8.00	8.00	76.00	8.00	6	1	1	0	3	1	2.81	10.49	78.63	8.07
Rochester MSA AA	7.37	9	9.00	0.00	20.00	80.00	0.00	5	0	3	2	0	0	0.00	19.97	73.78	6.09
Syracuse MSA AA	3.99	5	5.00	0.00	44.00	56.00	0.00	1	0	0	0	1	0	0.00	19.14	73.38	6.43
Utica/Rome MSA AA	5.43	3	3.00	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	0.00	90.01	9.99



**Tables of Performance Data**

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**State of Pennsylvania**

**Institution ID: 8531 COMMUNITY BANK, N.A.**

**Table 1. Lending Volume**

LENDING VOLUME 31, 2001		Geography: PENNSYLVANIA						Evaluation Period: JANUARY 1, 2001 TO DECEMBER				
MA/Assessment Area (2001):	% 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)	
<b>Full Review:</b>												
Scranton/Wilkes Barre/Hazle	100.00	177	10,994	83	7,676	0	0	12	133	272	18,803	100.00

\* Loan Data as of December 31, 2001. Rated area refers to either the state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is From January 01, 2001 to October 14, 2002.

\*\*\* Deposit Data as of June 30, 2001. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

N.A.

**Table2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE DECEMBER 31, 2001		Geography: PENNSYLVANIA						Evaluation Period: JANUARY 1, 2001 TO							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units** *	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Scranton/Wilkes Barre/Hazleton AA	40	100.00	0.02	2.50	6.65	2.50	81.07	65.00	12.25	30.00	1.01	7.69	0.42	0.87	1.67

\* Based on 2001 Peer Mortgage Data: Northeast Region.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 Census information.

N.A.

**Table 3. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT DECEMBER 31, 2001		Geography: PENNSYLVANIA								Evaluation Period: JANUARY 1, 2001 TO					
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total	% Owner Occ Units	% BANK Loans	% Owner Occ Units**	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Scranton/Wilkes Barre/Hazleton AA	42	100.00	0.02	0.00	6.65	11.90	81.07	85.71	12.25	2.38	2.38	0.00	4.13	2.59	0.40

\* Based on 2001 Peer Mortgage Data: Northeast Region.

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

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

N.A.

**Table 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE TO DECEMBER 31, 2001			Geography: PENNSYLVANIA						Evaluation Period: JANUARY 1, 2001						
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Scranton/Wilkes Barre/Hazleton AA	95	100.00	0.02	0.00	6.65	2.11	81.07	69.47	12.25	28.42	1.23	0.00	0.44	1.12	2.01

\* Based on 2001 Peer Mortgage Data: Northeast Region.

\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 Census information.

N.A.

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES 2001 TO DECEMBER 31, 2001			Geography: PENNSYLVANIA								Evaluation Period: JANUARY 1,				
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
<b>Full Review:</b>															
Scranton/Wilkes Barre/Hazleton AA	83	100.00	5.52	10.84	11.13	2.41	70.71	67.47	12.63	19.28	0.66	2.48	0.15	0.68	0.72

\* Based on 2001 Peer Small Business Data: US&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 (2001).

N.A.

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE DECEMBER 31, 2001		Geography: PENNSYLVANIA							Evaluation Period: JANUARY 1, 2001 TO						
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans**	% Families**	% BANK Loans****	% Families***	% BANK Loans**	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Scranton/Wilkes Barre/Hazleton AA	40	100.00	18.89	10.00	18.27	5.00	24.54	22.50	38.31	62.50	1.19	1.64	0.28	0.97	1.70

\* Based on 2001 Peer Mortgage Data: Northeast Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 0.00% of loans originated and purchased by CBNA.

\*\*\* Percentage of Families is based on the 1990 Census information.

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

N.A.

**Table 9. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT DECEMBER 31, 2001		Geography: PENNSYLVANIA								Evaluation Period: JANUARY 1, 2001 TO					
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***	% BANK Loans**	% Families***	% BANK Loans****	% Families**	% BANK Loans****	Overa ll	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Scranton/Wilkes Barre/Hazleton AA	42	100.00	18.89	24.39	18.27	14.63	24.54	19.51	38.31	41.46	2.41	5.78	1.81	1.88	2.21

\* Based on 2001 Peer Mortgage Data: Northeast Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 2.38% of loans originated and purchased by CBNA.

\*\*\* Percentage of Families is based on the 1990 Census information.

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



N.A.

**Table 10. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE DECEMBER 31, 2001		Geography: PENNSYLVANIA								Evaluation Period: JANUARY 1, 2001 TO					
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families***	% BANK Loans**	% Families***	% BANK Loans**	% Families***	% BANK Loans**	% Families***	% BANK Loans**	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Scranton/Wilkes Barre/Hazleton AA	95	100.00	18.89	4.49	18.27	11.24	24.54	30.34	38.31	53.93	1.34	1.02	0.93	1.41	1.48

\* Based on 2001 Peer Mortgage Data: Northeast Region.

\*\* As a percentage of loans with borrower income information available. No information was available for 6.32% of loans originated and purchased by CBNA.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

**Table 11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES DECEMBER 31, 2001		Geography: PENNSYLVANIA			Evaluation Period: JANUARY 1, 2001 TO				
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 <sup>*</sup>	
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Scranton/Wilkes Barre/Hazleton AA	83	100.00	85.98	67.47	71.08	20.48	8.43	0.66	1.13

<sup>\*</sup> Based on 2001 Peer Small Business Data: US&PR.

<sup>\*\*</sup> 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.

<sup>\*\*\*</sup> Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2001).

<sup>\*\*\*\*</sup> 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 0.00% of small loans to businesses originated and purchased by CBNA.

N.A.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS 2002		Geography: PENNSYLVANIA				Evaluation Period: JANUARY 1, 2001 TO OCTOBER 07,			
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Scranton/Wilkes Barre/Hazleton AA	0	0	6	919	6	919	100.00	0	0

\* '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.

N.A.

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS										Geography: PENNSYLVANIA				Evaluation			
Period: JANUARY 1, 2001 TO OCTOBER 7, 2002																	
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
<b>Full Review:</b>																	
Scranton/Wilkes Barre/Hazeltan AA	100.00	13	100.00	8.00	0.00	77.00	15.00	13	0	1	0	10	2	0.75	10.17	77.30	11.78