



PUBLIC DISCLOSURE

April 29, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Lyons National Bank
Charter Number: 1027

35 Williams Street
Lyons, NY 14489

Office of the Comptroller of the Currency

5000 Brittonfield Parkway
Suite A132
East Syracuse, NY 13057

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

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Overall CRA Rating

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

The following table indicates the performance level of The Lyons National Bank (LNB or bank) with respect to the Lending, Investment, and Service Tests:

Performance Levels	The Lyons National Bank Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory			
Low Satisfactory	X	X	X
Needs to Improve			
Substantial Noncompliance			

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

The major factors that support this rating include:

- The Lending Test rating is based on Low Satisfactory rating in the state of New York.
- The Investment Test rating is based on Low Satisfactory rating in the state of New York.
- The Service Test rating is based on Low Satisfactory rating in the state of New York.
- A substantial majority of the bank's loans are in the bank's assessment area.

Lending in Assessment Area

A substantial majority of the bank's loans are inside the CRA assessment areas (AAs) that the Office of the Comptroller of the Currency (OCC) used for the purposes of the CRA analysis. The Rochester NY Metropolitan Statistical Area (MSA) AA used by the OCC differs from the bank's delineated AA. Refer to the Scope of Evaluation section for more information supporting adjustments to the bank's delineated Rochester NY MSA AA. All references to the bank's Rochester NY MSA AA in this evaluation refer to the expanded Rochester NY MSA AA used by the OCC.

The bank originated and purchased 89.5 percent of its total loans by count and 86.8 percent by dollar amount inside the bank's AAs during the evaluation period. This analysis is performed at the bank level, rather than the AA level. The bank did not submit affiliate lending data for consideration during this

evaluation. The bank's primary products are based on loan originations for home mortgages, loans to small businesses, and loans to small farms.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$				Total \$
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home	4,711	89.2	572	10.8	5,283	803,598,901	86.2	128,198,653	13.8	931,797,554
Small Business	3,044	90.5	320	9.5	3,364	316,400,000	87.9	43,397,000	12.1	359,797,000
Small Farm	463	87.4	67	12.6	530	48,832,000	88.1	6,568,000	11.9	55,400,000
Total	8,218	89.5	959	10.5	9,177	1,168,830,901	86.8	178,163,653	13.2	1,346,994,554

Description of Institution

LNB is a single-state community bank headquartered in Lyons, New York. The bank is a wholly owned subsidiary of Lyons Bancorp, Inc., a one-bank holding company. LNB has one subsidiary, Lyons Realty Associates Corp (LRAC). LRAC is a real estate investment trust which holds a portfolio of real estate mortgages. This performance evaluation does not consider activities performed by the bank's subsidiary.

During the evaluation period, LNB provided a wide range of commercial and retail products. Products and services offered by LNB included personal and commercial loans and deposit products, agricultural loans, mobile and online banking, drive-thru facilities, deposit-taking automated teller machines (ATMs), and remote deposit capture. Growth has historically stemmed from expanding the branch network and organic growth. Strategic plans continue to focus on expanding the branch network to increase market share.

LNB reported total assets of \$1.7 billion, total deposits of \$1.6 billion, and tier 1 capital of \$150 million as of December 31, 2022, which was the end of the evaluation period. Total loans and leases of \$1.3 billion and \$366 million of total investments represented 76.5 percent and 21.5 percent of total assets, respectively. Loan portfolio composition as of December 31, 2022, was as follows: 56.0 percent residential real estate loans – including multifamily and home equity products, 22.8 percent commercial real estate loans, 9.3 agricultural loans, 9.0 percent commercial/industrial loans, and 2.8 percent consumer loans.

As of December 31, 2022, LNB had 16 branches throughout Cayuga, Monroe, Onondaga, Ontario, Seneca, Wayne, and Yates counties and operated 14 deposit-taking ATMs. LNB's AAs include the bank's main office, branches, and deposit-taking ATMs. LNB designated three AAs, the Rochester NY MSA AA, the Syracuse NY MSA AA, and the NY Non MSA AA. The Rochester NY MSA AA included Ontario, Wayne, and Yates counties in their entirety and 34 census tracts within Monroe County. The Rochester NY MSA AA includes 12 of the bank's branch locations. The Syracuse NY MSA AA consisted of three census tracts in Onondaga County and one branch location. The NY Non MSA AA included Cayuga and Seneca counties in their entirety. The NY Non MSA AA contains three LNB branch locations.

There were no legal or financial factors that impacted LNB's ability to help meet the credit needs of its community.

The bank received a Satisfactory rating at the last CRA evaluation dated August 31, 2020.

COVID-19 Pandemic

During the evaluation period, the bank offered Small Business Administration (SBA) Paycheck Protection Program (PPP) loans, a program enacted as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The program was designed to provide economic support to businesses by offering forgivable loans that enabled companies to retain employees and pay certain operational expenses incurred during the COVID-19 pandemic. In response, in 2020 and 2021, the bank extended 1,842 PPP loans totaling \$129.3 million. Of this total, 1,711 PPP loans totaling \$120.7 million in 2020 and 2021 were originated inside the bank's AAs.

Additionally in response to the COVID-19 pandemic, the bank also introduced a short-term modification program that provided temporary payment relief to borrowers directly impacted by the COVID-19 pandemic. During 2020, LNB provided 391 borrowers and during 2021, provided six borrowers temporary payment relief on various residential and consumer loans. Further, the bank implemented several actions including loan modifications such as principal and/or interest deferral payments for 346 commercial customers.

Product Innovation and Flexibility

The bank utilized several innovative and/or flexible loan products for home mortgage borrowers that were available and assessed at the bank-wide level. Examples included:

Homebuyer Dream Program - LNB participates in this program in conjunction with the Federal Home Loan Bank of New York. Income eligible applicants are granted up to \$15,000 (reduced in 2021 to \$10,000) to be used towards down payment and closing cost assistance to eligible first-time homebuyers. The bank originated 95 Homebuyer Dream loans totaling \$1.0 million during the evaluation period.

Home Possible Mortgage - This Freddie Mac home purchase mortgage program has several flexible lending features. Income eligible borrowers can purchase a one- to-four family home with as little as a three percent down payment, requires no minimum contribution from personal funds, and has flexible credit score requirements. The bank made 296 loans for \$37.0 million during the evaluation period.

BorrowSmart – This Freddie Mac program provides assistance for income-qualified borrowers to be used towards the down payment or closing costs required to finance a home purchase. Grants range from \$500 to \$1,500 and are tiered based on the borrower's qualifying income. Additional assistance is provided if the subject property is in a designated rural tract within a high needs area (geo-targeted). There were 119 grants secured during the evaluation period for a total of \$176,000.

Scope of the Evaluation

Evaluation Period/Products Evaluated

This performance evaluation assessed the bank's CRA performance under the Large Bank examination procedures, which includes a Lending Test, Investment Test, and Service Test. The evaluation period for

all tests is January 1, 2020, through December 31, 2022. The bank's performance was assessed using home mortgage loan products reported under the Home Mortgage Disclosure Act (HMDA), small loans to businesses, and small loans to farms. Although the bank was not required to report its small business or small farm loan data during the evaluation period, the bank collected the data, and the OCC validated the data for use in the performance evaluation of the bank. To perform meaningful analysis, there must have been at least 20 loans originated or purchased for a specific loan product within a respective AA, during one or more of the analysis periods within the overall evaluation period.

Home mortgage loans represented the largest portion of lending activity during the evaluation period with 4,711 loans totaling \$804 million originated or purchased within the bank's AAs. This accounted for 57.3 percent by number and 68.8 percent by dollar of the loans evaluated. During the evaluation period, there were 3,044 small business loans originated within the bank's AAs for a total of \$316 million. This accounted for 37.0 percent by number and 27.1 percent by dollar of loans evaluated. Small farm loans originated or purchased during the evaluation period accounted for 463 loans for a total of \$49 million within the bank's AAs. This accounted for 5.6 percent by number and 4.2 percent by dollar of loans evaluated. As the OCC completed the analysis, more weight was placed on home mortgage loans in the bank's AAs since this was the predominant loan product. The OCC also placed more weight on lending activity from 2020 through 2021 as this period represented most of the evaluation period.

Management maintained the same AAs throughout the evaluation period. To provide more current and accurate demographic data, census data used is updated every five years instead of 10 beginning with the Census Bureau's 2015 American Community Survey (ACS). The most recent update was in 2020. LNB's AAs were affected by this change, and the 2020 through 2021 lending data received a separate analysis from the 2022 lending data. For mortgage lending activity in 2020 and 2021, the OCC compared the bank's performance to HMDA peer aggregate lender data as well as the 2015 ACS census data. For mortgage lending activity during 2022, the OCC compared the bank's performance to HMDA peer aggregate lender data and the 2020 U.S. Census data, which the FFIEC released in 2022. The analysis of small business and small farm lending focused on the comparison of the bank's performance with data from Dunn & Bradstreet (D&B) and aggregate peer data, although the bank was not required to report small business or small farm data during the evaluation period. Aggregate lending and market share percentages considered only lenders that submitted HMDA, small business, and small farm data. Lenders that collected, but do not submit data, were not considered in the percentages. The census changes also impacted branch and population distributions considered in the Service Test analysis. Performance also included an assessment of community development (CD) activities including CD loans, qualified investments, grants and donations, and CD services. Qualifying activities performed in response to the significant impact of the COVID-19 pandemic across the U.S. were considered in this evaluation.

Selection of Areas for Full-Scope Review

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

The bank delineated three AAs within the state of New York:

- Rochester NY MSA AA – Whole counties of Ontario, Wayne, and Yates, and 34 census tracts in the eastern portion of Monroe County
- Syracuse NY MSA AA – three census tracts in the western part of Onondaga County
- NY Non MSA AA – whole counties of Cayuga and Seneca

After reviewing the bank's AA delineation in the Rochester NY MSA, the OCC determined that the bank's AA was inconsistent with the requirements under 12 CFR 25.41. The OCC considered the bank's lending volume in portions outside the Monroe County areas included within the bank's AA delineation and determined that LNB can reasonably serve the entirety of Monroe County. Accordingly, the OCC expanded the Rochester NY MSA AA boundary for purposes of the analysis.

In 2022, the Rochester NY MSA AA represented 83.8 percent of total deposits and 75.0 percent of their total branching network and was selected for a full-scope review. The NY Non MSA AA and Syracuse NY MSA AA were selected for limited scope reviews as they compromised 13.4 percent total bank deposits and 18.8 percent of their branches, and 2.8 percent of total bank deposits and 6.2 percent of their branches, respectively.

Ratings

The bank's rating is based on its performance in the state of New York. The state rating is based on the performance in all the bank's AAs with the most weight placed on the Rochester NY MSA AA because it represented the largest portion of the bank's branches, deposits, and lending activity. The Syracuse and NY Non MSA AAs were reviewed using limited-scope procedures during the evaluation.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any assessment area by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Consumer Financial Protection Bureau, as applicable.

The OCC found issues with the bank's fair lending compliance and bank management responded by fully addressing those issues by the time of this examination. The CRA performance rating was not lowered as a result of these findings. We considered the nature, extent, and strength of the evidence of the practices; the extent to which the institution had policies and procedures in place to prevent the practices; and the extent to which the institution has taken or has committed to take corrective action, including voluntary corrective action resulting from self-assessment; and other relevant information.

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

State Rating

State of New York

CRA rating for the State of New York: Satisfactory

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: Low Satisfactory

The Service Test is rated: Low Satisfactory

The major factors that support this rating include:

- Lending levels reflected adequate responsiveness to the credit needs in its AAs;
- The bank exhibited adequate geographic distribution of loans within its AAs considering the lending gaps identified by the OCC in Monroe County during the evaluation period;
- The bank exhibited a good distribution of loans to borrowers of different income levels and businesses and farms of different sizes;
- The bank has an adequate level of qualified CD investments and grants. CD investments were responsive to revitalization/stabilization needs.
- The bank's service delivery systems were accessible to geographies and individuals of different income levels within the bank's AAs; and
- The bank provided an adequate level of CD services.

Description of Institution's Operations in New York

As of December 31, 2022, LNB had 16 branches and 14 deposit taking ATMs throughout its AAs. The Rochester NY MSA AA included 12 of the branch locations with 10 branches having attached deposit-taking ATMs. The Syracuse NY MSA had one branch location with an attached deposit-taking ATM. The NY Non MSA AA included Cayuga and Seneca counties in their entirety and includes three LNB branch locations with attached deposit-taking ATMs. In addition, the bank operated 11 stand-alone ATMs, of which none were deposit-taking.

Most of the bank's lending activity occurs in the Rochester NY MSA AA. During the evaluation period, LNB originated and purchased 67.5 percent of its home mortgage loans (by number) in the Rochester NY MSA AA, 19.3 percent of its home mortgage loans in the NY Non MSA AA, and 2.4 percent of its home mortgage loans in the Syracuse NY MSA AA. Moreover, small business loans within the Rochester NY MSA AA represented 75.6 percent of total small business loans during the evaluation period, while the NY Non MSA AA and Syracuse NY MSA AA had 13.0 percent and 1.8 percent, respectively. Small farm loans within the Rochester NY MSA AA represented 74.5 percent of total small farm loans during the evaluation period, while the NY Non MSA AA and Syracuse NY MSA AA had 11.3 percent and 1.5 percent, respectively.

LNB reported \$1.5 billion in total deposits based on Federal Deposit Insurance Corporation (FDIC) deposit information as of June 30, 2022. Of this, the bank had \$1.2 billion in total deposits in the Rochester NY MSA AA, \$204.6 million in the NY Non MSA AA, and \$42.9 million in the Syracuse NY MSA AA. Within all AAs, LNB ranked 7th out of 29 FDIC-Insured Institutions, with 3.85 percent market share. In all AAs, the top three competitors were Manufacturers and Traders Trust Company, KeyBank N.A., and JP Morgan Chase, N.A. with 49.9 percent market share.

Rochester MSA AA

The following tables provide a summary of the demographics, including housing and business information for the Rochester NY MSA AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Rochester NY MSA AA 2020-2021						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	246	17.9	16.7	39.0	24.0	2.4
Population by Geography	976,151	10.0	14.5	44.4	30.5	0.6
Housing Units by Geography	427,810	10.5	15.4	45.8	28.3	0.1
Owner-Occupied Units by Geography	260,296	3.7	11.6	49.5	35.2	0.0
Occupied Rental Units by Geography	129,921	21.4	21.9	37.6	18.9	0.1
Vacant Units by Geography	37,593	19.8	18.8	48.1	13.2	0.1
Businesses by Geography	78,863	10.2	12.9	41.2	35.5	0.2
Farms by Geography	2,524	2.5	8.6	60.8	28.1	0.0
Family Distribution by Income Level	242,408	21.7	16.9	19.8	41.6	0.0
Household Distribution by Income Level	390,217	24.2	16.0	17.3	42.5	0.0
Median Family Income MSA-40380 Rochester, NY MSA		\$67,757	Median Housing Value			\$132,765
			Median Gross Rent			\$819
			Families Below Poverty Level			10.3%
Source: 2015 ACS and 2021 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.						

Table A – Demographic Information of the Assessment Area**Assessment Area: Rochester NY MSA AA 2022**

Assessment Area: Rochester NY MSA FY 2022						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	285	13.7	19.3	37.5	25.6	3.9
Population by Geography	987,958	10.2	18.2	40.6	30.2	0.9
Housing Units by Geography	436,029	10.0	19.8	41.8	27.7	0.7
Owner-Occupied Units by Geography	262,475	4.4	15.9	44.6	35.0	0.2
Occupied Rental Units by Geography	134,628	19.1	26.2	36.4	16.7	1.6
Vacant Units by Geography	38,926	16.8	24.1	41.8	16.2	1.2
Businesses by Geography	80,740	6.6	16.7	40.1	33.6	2.9
Farms by Geography	2,557	2.0	14.5	53.1	30.0	0.5
Family Distribution by Income Level	242,667	21.2	17.4	20.3	41.1	0.0
Household Distribution by Income Level	397,103	24.7	15.4	17.5	42.4	0.0
Median Family Income MSA-40380 Rochester, NY MSA		\$80,423	Median Housing Value			\$149,796
			Median Gross Rent			\$935
			Families Below Poverty Level			8.9%
Source: 2020 U.S. Census and 2022 D&B Data Due to rounding, totals may not equal 100.0% (*) The NA category consists of geographies that have not been assigned an income classification.						

The Rochester NY MSA AA consisted of Monroe, Ontario, Wayne, and Yates counties in their entirety. As of year-end 2022, LNB operated 12 branch locations and 21 ATMs, of which 10 were deposit-taking, in the AA. The bank had \$1.2 billion in total deposits in the Rochester NY MSA AA, which comprised 83.8 percent of total bank deposits. The bank ranked 8th out of 18 FDIC-Insured Institutions, with 4.95 percent market share in the AA.

Economic Data

Based on data from the September 2022 Moody's Analytic report, the economy in the Rochester NY MSA was in recovery following a challenging start in 2022. Strengths for the Rochester MSA included high-wage jobs through educational institutions and hospitals, affordable housing, and solid educational attainment relative to upstate and western New York peers. The commercial market benefitted from new office and condominium projects as part of the revitalization of downtown Rochester. Weaknesses for the Rochester NY MSA included persistent migration out of the area, an overdependence on legacy manufacturers, and a poor quality of life due to its cold climate and relative isolation. While the universities in the area, including the University of Rochester and Rochester Institute of Technology, account for a large share of jobs, the Rochester MSA saw a significant decline in high school, college, and graduate student enrollment, affecting future education growth and employment levels at smaller universities in the Rochester MSA.

According to the December 2022 U.S. Bureau of Labor Statistics (BLS) data, the unemployment rate (not seasonally adjusted) in the Rochester NY MSA was 3.2 percent compared to 3.1 percent in 2021 and 6.2 percent in 2020. The large increase in 2020 is the result of the COVID-19 pandemic and associated economic impacts. The Rochester MSA unemployment rate was favorable to the 4.2 percent unemployment rate for the state of New York in 2022. In the Rochester MSA, Education and Health Services topped the employment sector with 25.0 percent of jobs, followed by Government with 14.7 percent and Professional and Business Services with 12.4 percent, while Mining with 0.1 percent, Information jobs with 1.2 percent and Transportation and Utilities jobs with 2.6 percent rounded out the bottom three employment sectors. Top employers included University of Rochester, Rochester Regional Health System, Wegmans Food Markets, Paychex, and Rochester Institute of Technology.

The poverty level across the AA was considered in the evaluation of lending performance. Families living below the poverty level are identified as having difficulty meeting basic financial needs and, as such, are less likely to have the financial means to qualify for a home loan than those with income above the poverty level. For the Rochester NY MSA AA, 10.3 percent of families during the period of 2020 through 2021, and 8.9 percent of families in 2022 were living below the poverty level.

Community Contacts

The OCC relied on information from two previously conducted community contacts for the purpose of determining a community profile, identifying opportunities for participation by local financial institutions and determining the performance of local financial institutions in meeting the credit needs of the community. Contacts included nonprofit entities involved in providing community services for low- and moderate-income individuals and affordable housing. The OCC also considered comments provided by several community organizations as part of a Small Business CRA listening session. Community contacts indicated a need for affordable housing, housing rehabilitation lending programs (including lending to landlords to improve their properties), flexible underwriting programs from banks, and financial repair programs. Community contacts also stated the need for access to credit and technical support services for starting or expanding small businesses. According to one community contact, small businesses need technical assistance including a review of financial condition, counseling, mentoring, and assistance with applying for loans. Lastly, it was also stated there is a need for access to workforce development.

Scope of Evaluation in New York

The OCC selected one AA for a full-scope review. A full-scope review was conducted for the Rochester NY MSA AA as it is the largest AA in the state of New York in terms of deposits, branches, and lending activity. The NY Non MSA and Syracuse NY MSA AAs received limited-scope reviews. Refer to the table in appendix A for more information.

In arriving at overall conclusions, the OCC placed more emphasis on the product category that had the higher percentage of lending in the AA. The assessment of Lending Test performance weighted home mortgage loans heavier than small business loans and small farm loans based on higher lending volumes. Additionally, more weight was placed on performance in 2020 and 2021 than in 2022. Refer to the Scope of Evaluation section for more information.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEW YORK

LENDING TEST

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

Conclusions for Area Receiving a Full-Scope Review

Based on a full-scope review, the bank's performance in the Rochester NY MSA AA was adequate.

Lending Activity

Lending levels reflect adequate responsiveness to AA credit needs.

Number of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Full-Scope							
Rochester NY MSA AA	3,565	2,545	395	5	6,510	79.2	83.8
Limited-Scope							
NY Non MSA AA	1,019	436	60	1	1,516	18.4	13.4
Syracuse NY MSA AA	127	63	8	0	198	2.4	2.8

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

Dollar Volume of Loans*							
Assessment Area	Home Mortgage	Small Business	Small Farm	Community Development	Total	%State Loans	%State Deposits
Full-Scope							
Rochester NY MSA AA	\$614,131,000	\$271,363,000	\$41,915,000	\$6,442,882	\$933,851,882	79.4	83.8
Limited-Scope							
NY Non MSA AA	\$163,125,000	\$41,004,000	\$6,093,000	\$1,448,038	\$211,670,038	18.0	13.4
Syracuse NY MSA AA	\$26,344,000	\$4,033,000	\$824,000	\$0	\$31,201,000	2.7	2.8

*The tables present the data for all assessment areas. The narrative below addresses performance in full-scope areas only.

During the evaluation period, the bank originated 3,565 home mortgage loans totaling \$614.1 million, 2,545 small business loans (including 1,392 PPP loans), 395 loans to small farms, and five CD loans in the AA. As of the evaluation date, 79.2 percent of loans originated during the evaluation period were concentrated in the AA. Similarly, 83.8 percent of total bank deposits were in the AA. The deposit and lending concentrations within this AA reflect the principal location of the bank's commercial and retail customer base, branch locations, and the bank's lending focus.

Market share information for loans and deposits show that LNB operates in a highly competitive banking environment. According to the FDIC's Summary of Deposits as of June 30, 2022, LNB ranked

8th out of 18 FDIC-Insured Institutions (56th percentile) with a deposit market share of 4.95 percent. The top banks in terms of deposit market share in the AA included Manufacturers & Traders Trust Company with 18.9 percent, The Canandaigua National Bank and Trust Company with 14.8 percent, JP Mortgage Chase Bank N.A. with 14.1 percent, KeyBank N.A. with 12.6 percent, and Citizens Bank, N.A. with 8.0 percent, for a combined market share of 68.4 percent.

Based on the 2022 HMDA market share data, LNB ranked 10th out of 291 lenders for home mortgage loan originations and purchases with a market share of 2.75 percent, by number. The top five lenders were ESL Federal Credit Union with 18.6 percent market share, Premium Mortgage Corporation with 6.4 percent, Community Bank with 6.1 percent, The Canandaigua National Bank with 4.2 percent market share, and M&T Bank with 3.9, for a combined market share of 39.2 percent.

Distribution of Loans by Income Level of the Geography

The bank exhibits adequate geographic distribution of loans in its AA(s).

Home Mortgage Loans

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

The geographic distribution of home mortgage loans was good.

2020 – 2021

The geographic distribution of home mortgage loans is good. The geographic distribution of home mortgages in low-income census tracts was well below both the owner-occupied housing units and aggregate lending in the AA. Conversely, the geographic distribution of home mortgage loans in moderate-income census tracts exceeded both the percentage of owner-occupied housing units and aggregate lending in the AA. There were more lending opportunities in the moderate census tracts for housing.

2022

The geographic distribution of home mortgage loans is adequate. The geographic distribution of home mortgages in low-income census tracts was significantly below both the owner-occupied housing units and aggregate lending in the AA. Conversely, the geographic distribution of home mortgage loans in moderate-income census tracts exceeded both the percentage of owner-occupied housing units and aggregate lending in the AA.

Small Loans to Businesses

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

The geographic distribution of small loans to businesses was adequate.

2020 – 2021

The geographic distribution of small loans to businesses is adequate. The geographic distribution of loans to small businesses in low-income census tracts was significantly below both the percentage of businesses and aggregate lending in the AA. The geographic distribution of loans to small businesses in moderate-income census tracts exceeded both the percentage of businesses and aggregate lending in the AA.

2022

The geographic distribution of small loans to businesses is adequate. The geographic distribution of loans to small businesses in low-income census tracts was significantly below both the percentage of businesses and the aggregate lending in the AA. The geographic distribution of loans to small businesses in moderate-income census tracts exceeded both the percentage of businesses and aggregate lending in the AA.

Small Loans to Farms

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

The geographic distribution of small loans to farms was adequate.

2020 – 2021

The geographic distribution of small loans to farms is adequate. The bank made no loans to small farms in low-income census tracts, consistent with peer lenders who did not make any loans to small farms in low-income census tracts. The geographic distribution of small loans to farms in moderate-income census tracts was well below the percentage of farms and aggregate lending in the AA. Only 2.5 percent of AA farms (63 farms) operate in low-income geographies, and 8.6 percent of AA farms (217 farms) operate in moderate-income geographies, evidencing fewer lending opportunities in these tracts.

2022

The geographic distribution of small loans to farms is good. The bank made no loans to small farms in low-income census tracts, consistent with peer lenders who did not make any loans to small farms in low-income census tracts. Only 2.0 percent of AA farms (51 farms) operate in low-income geographies, evidencing fewer lending opportunities in these tracts. The geographic distribution of loans to farms in moderate-income census tracts exceeded both the percentage of farms and aggregate lending in the AA.

Lending Gap Analysis

The OCC evaluated the lending distribution in the Rochester MSA AA to determine if any unexplained conspicuous gaps existed. In the Rochester MSA AA, conspicuous lending gaps were identified by the OCC in Monroe County during the evaluation period.

To perform the lending gap analysis, the OCC generated maps of the census tracts where there was low or no penetration of HMDA, small business, or small farm loan originations during the evaluation period. The OCC focused on clusters of LMI census tracts with no or low levels of lending within the

AA and then evaluated the clusters to determine if demographic information indicated lending opportunities within the clusters. The OCC also evaluated whether there were any physical barriers that could explain the lack of lending in those LMI clusters.

In Monroe County, the OCC identified low-income census tract clusters in the City of Rochester where there was little-to-no HMDA or small business loan originations during the evaluation period. There was one branch located in Monroe County, which was located approximately seven miles east of the low-income census tracts. The OCC observed that the bank penetrated certain census tracts located in further extremities of Monroe County. Given the total population, number of owner-occupied housing units in the identified cluster and the absence of identified geographic barriers, these areas presented sufficient lending opportunities. The OCC changed the geographic distribution of loans from good to adequate based on the identified lending gaps.

Distribution of Loans by Income Level of the Borrower

The bank exhibits a good distribution of loans among individuals of different income levels and businesses and farms of different sizes, given the product lines offered by the institution.

Home Mortgage Loans

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

The borrower distribution of home mortgage loans to individuals of different income levels is adequate.

2020 – 2021

The borrower distribution of home mortgage loans to individuals of different income levels is adequate. The borrower distribution of home mortgage loans to low-income borrowers in the AA was well below the percentage of low-income families and below the aggregate percentage of reporting lenders in the AA. The borrower distribution of home mortgage loans to moderate-income borrowers in the AA exceeded the percentage of moderate-income families and was below the aggregate percentage of reporting lenders in the AA.

The OCC considered the AA's poverty level of 10.3 percent and housing costs in relation to the median family incomes in the AA, which limited the affordability for low-income borrowers. One method used to determine housing affordability assumes a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income. The maximum low-income and maximum moderate-income annual income calculations are based on 50 percent and 80 percent of the annual Federal Financial Institutions Examination Council (FFIEC) adjusted median family income (MFI). The MFI was \$76,200 in 2020 and \$82,900 in 2021.

In 2020, this calculated to a maximum mortgage payment of \$953 for a low-income borrower and \$1,524 for a moderate-income borrower. Assuming a 30-year mortgage with a five percent interest rate, and not accounting for a down payment, homeowners' insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the median housing value of \$233,513 would be \$1,254 in the AA.

In 2021, this calculated to a maximum mortgage payment of \$1,036 for a low-income borrower and \$1,658 for a moderate-income borrower. Assuming a 30-year mortgage with a five percent interest rate, and not accounting for a down payment, homeowners' insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the median housing value of \$239,200 would be \$1,284 in the AA.

Based on these calculations, low-income borrowers would be challenged to qualify for and afford home mortgage financing in the AA.

2022

The borrower distribution of home mortgage loans to individuals of different income levels is good. The borrower distribution of home mortgage loans to low-income borrowers in the AA was well below the percentage of low-income families and below the aggregate percentage of reporting lenders in the AA. The borrower distribution of home mortgage loans to moderate-income borrowers in the AA exceeded the percentage of moderate-income families and was near to the aggregate percentage of reporting lenders in the AA.

The OCC considered housing costs in relation to the median family incomes in the AA, which limited the affordability for low-income borrowers. One method used to determine housing affordability assumes a maximum monthly principal and interest payment of no more than 30 percent of the applicant's income. The maximum low-income and maximum moderate-income annual income calculations are based on 50 percent and 80 percent of the 2022 FFIEC adjusted MFI. The MFI in the AA was \$91,200 in 2022. This calculated to a maximum mortgage payment of \$1,140 for a low-income borrower and \$1,824 for a moderate-income borrower. Assuming a 30-year mortgage with a five percent interest rate, and not accounting for a down payment, homeowners' insurance, real estate taxes, or additional monthly expenses, the monthly mortgage payment for a home at the median housing value of \$224,975 would be \$1,208 in the AA. Based on these calculations, low-income borrowers would be challenged to qualify for and afford home mortgage financing in the AA.

Small Loans to Businesses

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

The distribution of loans to businesses of different sizes is good.

2020 – 2021

The distribution of loans to businesses of different sizes is good. The percentage of loans to small businesses originated or purchased was below the percentage of small businesses in the AA but exceeded the aggregate percentage of all reporting lenders.

2022

The distribution of loans to businesses of different sizes is good. The percentage of loans to small businesses originated or purchased was below the percentage of small businesses in the AA but exceeded the aggregate percentage of all reporting lenders.

Small Loans to Farms

Refer to Table T in the state of New York section of appendix D for the facts and data used to evaluate the borrower distribution of the bank's originations and purchases of small loans to farms.

The distribution of loans to farms of different sizes is excellent.

2020 – 2021

The distribution of loans to farms of different sizes is excellent. The percentage of loans to small farms originated or purchased was near to the percentage of small farms in the AA and exceeded the aggregate percentage of all reporting lenders.

2022

The distribution of loans to farms of different sizes is excellent. The percentage of loans to small farms originated or purchased was near to the percentage of small farms in the AA and exceeded the aggregate percentage of all reporting lenders.

Community Development Lending

The institution has made a low level of CD loans.

Community Development Lending				
Assessment Area	#	%	\$000	%
Rochester NY MSA AA	5	80.0%	6,443	81.6%
NY Non MSA AA	1	20.0%	1,448	18.4%
Syracuse NY MSA AA	0	0.0%	0	0.0%

The table above sets forth the information and data used to evaluate the institution's level of CD lending. These tables include all CD loans, including multifamily loans that also qualify as CD loans.

During the evaluation period, LNB originated five CD loans totaling \$6.4 million in the Rochester NY MSA AA. The dollar volume of CD lending in the AA was equal to 4.4 percent of allocated tier 1 capital. CD lending was not particularly responsive to the identified credit needs of the AA. However, four of the five community development loans were in response to the COVID-19 pandemic, supporting economic development. The fifth community development loan was for \$1.5 million to fund the construction of a medical and dental healthcare facility that will primarily serve low- and moderate-income individuals in the Finger Lakes region.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Lending Test in the NY Non MSA AA was consistent with the bank's overall performance under the Lending Test in the full-scope area. The bank's performance under the Lending Test in the Syracuse NY MSA AA was weaker than the bank's overall performance. The weaker performance in the Syracuse MSA AA is attributable to a smaller proportionate level of lending activity in the AA compared to the Rochester MSA AA. The weaker performance in the Syracuse MSA AA did not materially impact the bank's overall performance

under the Lending Test, as this represents the smallest market for the bank based on the number of branches, deposits, and loans.

Refer to Tables O through T in the state of New York section of appendix D for the facts and data that support these conclusions.

INVESTMENT TEST

The bank's performance under the Investment Test in New York is rated Low Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

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

The institution has an adequate level of qualified CD investments and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.

The institution rarely uses innovative and/or complex investments to support CD initiatives.

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
Full-Scope										
Rochester NY MSA AA	2	1,035	55	3,096	57	67.1	4,131	98.9	0	0
Limited-Scope										
NY Non MSA AA	0	0	28	47	28	33.9	47	1.1	0	0
Syracuse NY MSA AA	0	0	0	0	0	0	0	0	0	0
Total	2	1,035	83	3,143	85	100.0	4,178	100.0	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.

During the evaluation period, LNB made 57 investments totaling \$4.1 million and provided 42 qualifying grants and donations totaling \$71,000. The dollar volume of current- and prior-period investments (excluding unfunded commitments) represented 3.3 percent of tier 1 capital allocated to the AA.

Investments were particularly responsive to revitalizing and stabilizing multiple low- and moderate-income census tracts throughout the AA and providing community services by funding health services and community resources for LMI families in the AA. By dollar volume, 98.4 percent funded revitalization and stabilization efforts, 1.5 percent funded community services for LMI individuals, and 0.02 percent funded affordable housing. This is in spite of the significant affordable housing and economic development needs of the AA.

The institution rarely used innovative and/or complex investments to support CD initiatives. CD investments included mostly government investment bonds and donations.

Examples of qualified investments in the AA include:

- A \$2 million municipal bond to improve water storage systems in low- and moderate-income census tracts.
- A \$355,000 municipal bond to improve sewer systems in a community located in a moderate-income census tract.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Investment Test in the NY Non MSA and Syracuse NY MSA AAs is weaker than the bank's overall performance under the Investment Test in the full-scope area. The weaker performance is attributable to a smaller proportionate level of investment activity in the AAs compared to the Rochester MSA AA, with no investments made in the Syracuse MSA AA. The weaker performance in these AAs did not materially impact the bank's overall performance under the Investment Test.

SERVICE TEST

The bank's performance under the Service Test in New York is rated Low Satisfactory.

Conclusions for Area Receiving a Full-Scope Review

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

Retail Banking Services

Service delivery systems are reasonably accessible to geographies and individuals of different income levels in the bank's AA.

Distribution of Branch Delivery System								2022			
Assessment Area	Deposits	Branches						Population			
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				% of Population within Each Geography			
				Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full-Scope											
Rochester NY MSA AA	83.8	12	75.0	0.0	50.0	41.7	8.3	10.2	18.2	40.6	30.2
Limited-Scope											
NY Non MSA AA	13.4	3	18.8	0.0	0.0	66.7	33.3	3.7	11.3	65.4	18.7
Syracuse NY MSA AA	2.8	1	6.2	0.0	0.0	100.0	0.0	0.0	0.0	63.0	37.0
Total	100.0	16	100.0	0.0	37.5	50.0	12.5	9.5	17.3	43.3	29.1

LNB operated 12 branches in the AA, of which none were in low-income census tracts and six were in moderate-income census tracts. At the end of 2022, the bank's distribution of branches in low-income census tracts was significantly below, and in moderate-income census tracts exceeded the percentage of the populations living within those geographies. The OCC further considered three middle and upper income (MUI) branches that were positioned near moderate-income geographies within the AA; however, the MUI branches were not closely located near low-income geographies. Consideration was given to branches that were one mile or less from a low- or moderate-income geography, as that would allow the institution to serve these geographies for those with limited modes of transportation.

Distribution of Branch Openings/Closings						
	Branch Openings/Closings					
Assessment Area	# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)			
			Low	Mod	Mid	Upp
Full-Scope						
Rochester NY MSA AA	1	0	0	0	1	0
Limited-Scope						
NY Non MSA AA	0	0	0	0	0	0
Syracuse NY MSA	0	0	0	0	0	0
Total	1	0	0	0	1	0

To the extent changes have been made, the institution's opening and closing of branches has not altered accessibility of delivery systems, particularly in LMI geographies and/or to LMI individuals. The table above summarizes changes that have been made since the last performance evaluation, which involved one branch opening in 2020 in Farmington, NY, which is in the Rochester NY MSA AA.

Services, including where appropriate and business hours did not vary in a way that inconveniences its AA(s), particularly low- and moderate-income geographies and/or individuals.

Lobby and drive-thru hours are similar among branch locations. A majority of LNB's branches were open Monday through Thursday from 9:00 AM to 5:00 PM, with extended hours of 9:00 AM to 6:00 PM on Fridays. Additionally, all branches, except for one, were open on Saturday from either 8:30 AM or 9:00 AM to 12:00 PM. LNB offered traditional banking products, mortgages, consumer lending, commercial lending, and small business lending and services at all branch locations in the AA.

In addition to full-service branches, LNB offered alternative delivery systems including 24-hour ATMs, remote deposit capture, online/digital, and mobile banking services. These systems provided additional delivery availability and access to banking services to both retail and commercial/business customers. The distribution of ATMs in low-income geographies was very poor and in moderate-income geographies was adequate. During the evaluation period, LNB operated 10 deposit-taking ATMs attached to branch locations and nine stand-alone ATMs within the AA. Of the 10 deposit taking ATMs, four, or 40 percent were in moderate-income geographies, and none were in low-income geographies.

Community Development Services

The institution provided an adequate level of CD services.

During the evaluation period, 18 bank management and staff provided 1,761 service hours to 15 different qualifying organizations. Employee involvement primarily included serving on organizations' Board of Directors and other committees in various capacities such as treasurer or finance committee member, with 12 bank officers/employees providing 1,377 service hours over the evaluation period. These activities helped support organizations that provide affordable housing and community services to LMI individuals and families.

The following are examples of community development services provided during the evaluation period:

- An executive officer served as a treasurer for a not-for-profit organization providing 252 service hours over the evaluation period. The mission of the organization is to assess and meet basic needs and deliver programs to its local communities including, but not limited to, disaster response services, social service programs, and programs to senior citizens with limited income.
- An executive officer sat on the board of directors for a not-for-profit organization providing 240 service hours over the evaluation period. The mission of the organization is to provide community support services and affordable housing programs to LMI individuals.
- A bank officer served as the director of a board's finance committee for an affordable housing organization providing 200 service hours over the evaluation period. The mission of the organization is to bring people together to build homes, communities, and hope.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on limited-scope reviews, the bank's performance under the Service Test in the NY Non MSA AA is consistent with the bank's overall performance under the Service Test in the full-scope area. The bank's performance in the Syracuse NY MSA AA is weaker than the bank's overall performance in the full-scope area. The weaker performance in the Syracuse MSA AA is attributable to the bank's limited presence and lack of community development service hours performed in the AA. The weaker performance in the Syracuse MSA AA did not materially impact the bank's overall performance under the Service Test.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSAs and Non MSAs that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

Time Period Reviewed:	01/01/2020 to 12/31/2022	
Bank Products Reviewed:	Home mortgage, small business, and small farm Community development loans, qualified investments, community development services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A	N/A	N/A
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
New York		
Rochester NY MSA AA	Full scope	Whole counties of Monroe, Ontario, Wayne, and Yates
NY Non MSA AA	Limited scope	Whole counties of Cayuga and Seneca
Syracuse NY MSA AA	Limited scope	Three census tracts in the western part of Onondaga County.

Appendix B: Summary of MMSA and State Ratings

RATINGS: The Lyons National Bank				
Overall Bank:	Lending Test Rating*	Investment Test Rating	Service Test Rating	Overall Bank/State/ Multistate Rating
The Lyons National Bank	Low Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory
State:				
New York	Low Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory

(*) The Lending Test is weighted more heavily than the Investment and Service Tests in the overall rating.

Appendix C: Definitions and Common Abbreviations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MMSA (state): Any multistate metropolitan statistical area or multistate combined statistical area, as defined by the Office of Management and Budget.

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

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

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

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

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

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

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

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

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

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

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

- Table S. Assessment Area Distribution of Loans to Farms by Income Category of the Geography** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. Because aggregate small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table T. Assessment Area Distribution of Loans to Farms by Gross Annual Revenues** - Compares the percentage distribution of the number of small loans (loans less than or equal to \$500 thousand) originated and purchased by the bank to farms with revenues of \$1 million or less to: 1) the percentage distribution of farms with revenues of greater than \$1 million; and 2) the percentage distribution of farms for which revenues are not available. The table also presents aggregate peer small farm data for the years the data is available.
- Table U. Assessment Area Distribution of Consumer Loans by Income Category of the Geography** – Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households in those geographies.
- Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MMSA/assessment area.

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

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2020-21
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggt	% of Owner-Occupied Housing Units	% Bank Loans	Aggt	% of Owner-Occupied Housing Units	% Bank Loans	Aggt	% of Owner-Occupied Housing Units	% Bank Loans	Aggt	% of Owner-Occupied Housing Units	% Bank Loans	Aggt
NY Non MSA AA	766	123,462,167	22.2	2,549	1.3	0.7	1.8	5.2	5.7	6.0	68.8	61.2	66.2	24.7	32.4	26.0	0.0	0.0	0.0
Rochester NY MSA AA	2,584	432,351,027	74.8	38,654	3.7	0.9	3.0	11.6	12.0	10.5	49.5	64.2	47.1	35.2	22.9	39.4	0.0	0.0	0.0
Syracuse NY MSA AA	103	21,375,599	3.0	512	0.0	0.0	0.0	0.0	0.0	0.0	44.1	42.7	32.6	55.9	57.3	67.4	0.0	0.0	0.0
Total	3,453	577,188,793	100.0	41,715	3.4	0.8	2.9	10.7	10.3	10.1	51.5	62.9	48.1	34.4	26.0	38.9	0.0	0.0	0.0
Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%																			

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																			2022
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggt	% of Owner-Occupied Housing Units	% Bank Loans	Aggt	% of Owner-Occupied Housing Units	% Bank Loans	Aggt	% of Owner-Occupied Housing Units	% Bank Loans	Aggt	% of Owner-Occupied Housing Units	% Bank Loans	Aggt
NY Non MSA AA	253	39,661,929	20.1	2,003	0.9	0.8	1.3	9.7	13.4	12.2	67.2	62.5	65.0	22.2	23.3	21.5	0.0	0.0	0.0
Rochester NY MSA AA	981	181,780,479	78.0	28,926	4.4	0.9	5.6	15.9	22.5	16.1	44.6	51.7	42.6	35.0	24.7	35.5	0.2	0.2	0.2
Syracuse NY MSA AA	24	4,967,700	1.9	367	0.0	0.0	0.0	0.0	0.0	0.0	64.9	83.3	62.9	35.1	16.7	37.1	0.0	0.0	0.0
Total	1,258	226,410,108	100.0	31,296	3.9	0.9	5.2	15.0	20.3	15.7	47.3	54.5	44.3	33.6	24.2	34.7	0.1	0.2	0.2
Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%																			

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2020-21
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggt	% Families	% Bank Loans	Aggt	% Families	% Bank Loans	Aggt	% Families	% Bank Loans	Aggt	% Families	% Bank Loans	Aggt
NY Non MSA AA	766	123,462,167	22.2	2,549	17.1	2.5	7.0	17.0	15.9	20.0	21.8	23.8	24.8	44.1	53.4	36.4	0.0	4.4	11.8
Rochester NY MSA AA	2,584	432,351,027	74.8	38,654	21.7	5.8	9.6	16.9	18.1	22.2	19.8	22.3	22.3	41.6	49.2	33.1	0.0	4.7	12.9
Syracuse NY MSA AA	103	21,375,599	3.0	512	10.9	1.9	4.1	14.4	15.5	14.5	18.3	18.4	16.2	56.4	62.1	55.5	0.0	1.9	9.8
Total	3,453	577,188,793	100.0	41,715	21.1	5.0	9.3	16.9	17.5	22.0	20.0	22.5	22.4	42.1	50.5	33.6	0.0	4.5	12.8
Source: 2015 ACS; 01/01/2020 - 12/31/2021 Bank Data, 2021 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%																			

Table P: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Borrower																			2022
	Total Home Mortgage Loans				Low-Income Borrowers			Moderate-Income Borrowers			Middle-Income Borrowers			Upper-Income Borrowers			Not Available-Income Borrowers		
Assessment Area:	#	\$	% of Total	Overall Market	% Families	% Bank Loans	Aggt	% Families	% Bank Loans	Aggt	% Families	% Bank Loans	Aggt	% Families	% Bank Loans	Aggt	% Families	% Bank Loans	Aggt
NY Non MSA AA	253	39,661,929	20.1	2,003	18.4	5.1	7.4	17.5	20.9	21.8	21.2	25.3	23.6	42.9	44.7	36.1	0.0	4.0	11.1
Rochester NY MSA AA	981	181,780,479	78.0	28,926	21.2	6.3	10.5	17.4	19.9	22.3	20.3	22.9	22.2	41.1	45.4	30.9	0.0	5.5	14.2
Syracuse NY MSA AA	24	4,967,700	1.9	367	19.1	4.2	5.2	13.9	16.7	16.9	20.6	33.3	19.9	46.4	45.8	49.3	0.0	0.0	8.7
Total	1,258	226,410,108	100.0	31,296	20.9	6.0	10.2	17.4	20.0	22.2	20.4	23.6	22.3	41.4	45.2	31.4	0.0	5.1	13.9
Source: 2020 U.S. Census; 01/01/2022 - 12/31/2022 Bank Data, 2022 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%																			

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography **2020-21**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggt	% Businesses	% Bank Loans	Aggt	% Businesses	% Bank Loans	Aggt	% Businesses	% Bank Loans	Aggt	% Businesses	% Bank Loans	Aggt
NY Non MSA AA	370	33,864,000	14.4	1,895	4.9	3.0	4.9	9.0	5.9	9.3	61.8	65.4	59.7	24.3	25.7	25.6	0.0	0.0	0.6
Rochester NY MSA AA	2,142	210,288,000	83.3	21,440	10.2	0.6	9.0	12.9	19.2	11.3	41.2	63.3	42.4	35.5	16.9	37.0	0.2	0.0	0.3
Syracuse NY MSA AA	59	3,888,000	2.3	418	0.0	0.0	8.4	0.0	0.0	9.4	24.8	54.2	39.9	75.2	45.8	39.6	0.0	0.0	2.7
Total	2,571	248,040,000	100.0	23,753	9.6	0.9	8.6	12.4	16.9	10.6	42.6	63.4	42.6	35.3	18.8	37.1	0.1	0.0	1.1

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

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography **2022**

Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggt	% Businesses	% Bank Loans	Aggt	% Businesses	% Bank Loans	Aggt	% Businesses	% Bank Loans	Aggt	% Businesses	% Bank Loans	Aggt
NY Non MSA AA	66	7,140,000	14.0	1,761	4.9	4.5	4.4	10.6	4.5	10.4	64.2	65.2	62.9	20.4	25.8	22.3	0.0	0.0	0.0
Rochester NY MSA AA	403	61,075,000	85.2	18,562	6.6	0.7	5.3	16.7	23.6	16.0	40.1	57.3	42.8	33.6	18.4	34.0	2.9	0.0	2.0
Syracuse NY MSA AA	4	145,000	0.8	381	0.0	0.0	0.0	0.0	0.0	0.0	52.5	100.0	57.7	47.5	0.0	42.3	0.0	0.0	0.0
Total	473	68,360,000	100.0	20,704	6.4	1.3	5.1	16.0	20.7	15.2	42.2	58.8	44.7	32.8	19.2	33.1	2.6	0.0	1.8

Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; 2022 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2020-21
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
NY Non MSA AA	370	33,864,000	14.4	1,895	82.1	68.9	45.3	4.5	23.5	13.4	7.6
Rochester NY MSA AA	2,142	210,288,000	83.3	21,440	85.6	66.4	40.6	4.8	26.8	9.6	6.8
Syracuse NY MSA AA	59	3,888,000	2.3	418	87.6	76.3	41.5	3.7	20.3	8.8	3.4
Total	2,571	248,040,000	100.0	23,753	85.4	67.0	41.2	4.7	26.2	9.9	6.8
Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%											

Table R: Assessment Area Distribution of Loans to Small Businesses by Gross Annual Revenues											2022
Assessment Area:	Total Loans to Small Businesses				Businesses with Revenues <= 1MM			Businesses with Revenues > 1MM		Businesses with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	% Businesses	% Bank Loans
NY Non MSA AA	66	7,140,000	14.0	1,761	82.6	48.5	54.0	4.3	42.4	13.1	9.1
Rochester NYMSA AA	403	61,075,000	85.2	18,562	85.9	67.2	49.9	4.5	24.1	9.6	8.7
Syracuse NY MSA AA	4	145,000	0.8	381	88.0	50.0	48.8	3.5	0.0	8.5	50.0
Total	473	68,360,000	100.0	20,704	85.7	64.5	50.2	4.5	26.4	9.8	9.1
Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; 2022 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%											

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography																			2020-21
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggt	% Farms	% Bank Loans	Aggt	% Farms	% Bank Loans	Aggt	% Farms	% Bank Loans	Aggt	% Farms	% Bank Loans	Aggt
NY Non MSA AA	42	4,465	13.8	177	0.2	0.0	0.0	1.3	0.0	1.1	68.6	61.9	63.8	30.0	38.1	35.0	0.0	0.0	0.0
Rochester NY MSA AA	259	27,922	84.9	308	2.5	0.0	0.0	8.6	3.5	8.9	60.8	94.2	73.5	28.1	2.3	16.0	0.0	0.0	1.6
Syracuse NY MSA AA	4	413	1.3	12	0.0	0.0	5.7	0.0	0.0	8.6	37.2	50.0	29.5	62.8	50.0	54.3	0.0	0.0	1.9
Total	305	32,800	100.0	497	2.0	0.0	1.0	7.0	3.0	6.6	61.7	89.2	62.9	29.3	7.9	28.4	0.0	0.0	1.2
Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%																			

Table S - Assessment Area Distribution of Loans to Farms by Income Category of the Geography																			2022
Assessment Area:	Total Loans to Farms				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggt	% Farms	% Bank Loans	Aggt	% Farms	% Bank Loans	Aggt	% Farms	% Bank Loans	Aggt	% Farms	% Bank Loans	Aggt
NY Non MSA AA	18	1,628,000	11.4	147	0.2	0.0	0.0	2.3	0.0	1.4	70.7	100.0	82.3	26.8	0.0	16.3	0.0	0.0	0.0
Rochester NY MSA AA	136	13,993,000	86.1	378	2.0	0.0	0.0	14.5	25.7	19.8	53.1	69.9	65.1	30.0	4.4	15.1	0.5	0.0	0.0
Syracuse NY MSA AA	4	411,000	2.5	10	0.0	0.0	0.0	0.0	0.0	0.0	64.1	75.0	40.0	35.9	25.0	60.0	0.0	0.0	0.0
Total	158	16,032,000	100.0	535	1.6	0.0	0.0	11.8	22.2	14.4	56.6	73.4	69.3	29.5	4.4	16.3	0.4	0.0	0.0
Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; 2022 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%																			

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2020-21
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
NY Non MSA AA	42	4,465	13.8	177	96.5	73.8	45.8	2.8	19.0	0.7	7.1
Rochester NY MSA AA	259	27,922	84.9	308	96.0	88.8	37.4	2.6	9.3	1.4	1.9
Syracuse NY MSA AA	4	413	1.3	12	93.6	50.0	44.8	2.6	50.0	3.8	0.0
Total	305	32,800	100.0	497	96.0	86.2	41.2	2.6	11.1	1.3	2.6
Source: 2021 D&B Data; 01/01/2020 - 12/31/2021 Bank Data; 2021 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%											

Table T: Assessment Area Distribution of Loans to Farms by Gross Annual Revenues											2022
Assessment Area:	Total Loans to Farms				Farms with Revenues <= 1MM			Farms with Revenues > 1MM		Farms with Revenues Not Available	
	#	\$	% of Total	Overall Market	% Farms	% Bank Loans	Aggregate	% Farms	% Bank Loans	% Farms	% Bank Loans
NY Non MSA AA	18	1,628,000	11.4	147	96.7	83.3	57.1	2.8	11.1	0.5	5.6
Rochester NY MSA AA	136	13,993,000	86.1	378	95.9	86.8	51.1	2.6	10.3	1.5	2.9
Syracuse NY MSA AA	4	411,000	2.5	10	93.6	25.0	30.0	2.6	25.0	3.8	50.0
Total	158	16,032,000	100.0	535	96.0	84.8	52.3	2.7	10.8	1.4	4.4
Source: 2022 D&B Data; 01/01/2022 - 12/31/2022 Bank Data; 2022 CRA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0%											