

PUBLIC DISCLOSURE

October 7, 2019

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Chemung Canal Trust Company

RSSD No. 884303

One Chemung Canal Plaza

Elmira, NY 14901

FEDERAL RESERVE BANK OF NEW YORK

33 LIBERTY STREET

NEW YORK, NY 10045

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, nor should it 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

INSTITUTION RATING	1
Overall Rating	1
Performance Test Ratings Table.....	1
Summary of Major Factors Supporting Ratings	2
INSTITUTION	3
Description of Institution	3
Scope of Examination	5
Conclusions With Respect To Performance Tests	9
State for New York	16
CRA Rating for New York	16
Description of Institution's Operations	17
Conclusions with Respect to Performance Tests	18
MSA 21300 (Elmira, NY) (Full Review)	21
Description of Institution's Operations	21
Conclusions with Respect to Performance Tests	24
Non-Metropolitan Assessment Area (Full Review).....	31
Description of Institution's Operations	31
Conclusions with Respect to Performance Tests	35
MSA 13780 (Binghamton, NY) (Full Review)	43
Description of Institution's Operations	43
Conclusions with Respect to Performance Tests	46
MSA 27060 (Ithaca, NY) (Full Review)	53
Description of Institution's Operations	53
Conclusions with Respect to Performance Tests	56

MSA 10580 (Albany-Schenectady,) (Limited Review).....	61
Description of Institution's Operations	61
Conclusions with Respect to Performance Tests	62
State Of Pennsylvania.....	63
CRA Rating for Pennsylvania.....	63
Description of Institution's Operations	64
Conclusions with Respect to Performance Tests	67
Appendix A: Aggregate Comparison Loan Distribution Tables 2018-2017	71
Appendix B: Scope of Examination.....	83
Appendix C: Assessment Area Map	85
Glossary	87

INSTITUTION'S CRA RATING

INSTITUTION'S CRA RATING: Satisfactory

The following table indicates the performance level of Chemung Canal Trust Company with respect to the lending, investment and service tests.

PERFORMANCE LEVELS	CHEMUNG CANAL TRUST COMPANY		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		X
Low Satisfactory		X	
Needs to Improve			
Substantial Noncompliance			

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

Summary of Major Factors Supporting Ratings

Lending Test:

- Lending levels reflected an adequate responsiveness to assessment area (AA) credit needs.
- A majority of loans were in the AA.
- The geographic distribution of loans reflected good penetration throughout the AA.
- The distribution of borrowers reflected, given the product lines offered, good penetration among customers of different income levels and businesses of different sizes.
- Exhibited a good record of serving the credit needs of low-income individuals and areas and very small businesses.
- Made a relatively high level of community development (CD) loans.
- Made limited use of innovative and/or flexible lending practices in serving AA credit needs.

Investment Test:

- Made an adequate level of qualified CD investments and grants, particularly those not routinely provided by private investors, rarely in a leadership position.
- Made occasional use of innovative and/or complex investments to support CD initiatives.
- Exhibited adequate responsiveness to credit and CD needs.

Service Test:

- Delivery systems were accessible to the bank's geographies and individuals of different income levels in its AA.
- The institution's record of opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly to low or moderate-income (LMI) geographies and/or LMI individuals.
- Services did not vary in a way that inconveniences its AA, particularly LMI geographies and/or LMI individuals.
- The institution provided a relatively high level of CD services.

INSTITUTION

DESCRIPTION OF INSTITUTION

Chemung Canal Trust Company (“Chemung” or “the bank”) is a full-service commercial bank with 35 branches owned by Chemung Financial Corporation, a one-bank holding company also located in Elmira, New York. The seven branches located in MSA 10850 (Albany-Schenectady-Troy, NY) operate under the name Capital Bank a division of Chemung Canal Trust Company. Chemung acquired Capital Bank in 2011.

The bank provides a full range of products and services for business and retail customers, including wealth management. Deposit products include but are not limited to checking accounts, money market accounts, savings accounts and certificates of deposit. Credit products include commercial, residential real estate mortgage, home equity loans, and consumer loans.

As of September 30, 2019, Chemung had total assets of \$1.8 billion, gross total loans and leases of \$1.3 billion and total domestic deposits of \$1.6 billion. The chart below summarizes the composition of Chemung’s loan portfolio as of September 30, 2019.

COMPOSITION OF LOAN PORTFOLIO		
Loan Type	9/30/2019	
	\$(000s)	Percent
Construction and Development	49,898	3.8
Secured by One to Four Family Dwellings	296,833	22.7
Other Real Estate - Multifamily	169,952	13.0
Other Real Estate - Nonfarm nonresidential	412,332	31.5
Commercial and Industrial	212,683	16.3
Loans to Individuals	148,332	11.3
All Other	17,920	1.4
Total	1,307,950	100.0

This table does not include the entire loan portfolio. Specifically, it excludes loans to depository institutions, bankers acceptances, lease financing receivables, obligations of state and political subdivisions, and other loans that do not meet any other category. Contra assets are not included in this table.

Chemung operates in a competitive market with branches of numerous local, regional, and national banks operating in the bank’s assessment areas. Local peer banks include: Elmira Savings Bank, Five Star Bank, Tompkins Trust Company, and Tioga State Bank. Regional and national peer banks include Manufacturers and Traders Trust Company, KeyBank, Bank of America, Citizens Bank, and Community Bank National Association.

Chemung has six assessment areas located in New York and Pennsylvania, consisting of the following:

Full Scope Assessment Areas in New York

- MSA 21300 (Elmira, NY), consisting of Chemung County, NY.
- Non-Metropolitan New York counties, consisting of Cayuga, Cortland, Schuyler, and Seneca Counties and the eastern portion of Steuben County, NY.
- MSA 13780 (Binghamton, NY), consisting of a portion of Broome County, which includes the City of Binghamton, and Tioga County.
- MSA 27060 (Ithaca, NY), consisting of Tompkins County, NY.

Limited Scope Assessment Areas in New York

- MSA 10580 (Albany-Schenectady-Troy, NY), consisting of Albany, Schenectady and Saratoga Counties.

Full Scope Assessment Area in Pennsylvania

- Non-Metropolitan Pennsylvania counties, consisting of all of Bradford County, the eastern portion of Tioga County, and the western portion of Sullivan County.

The full scope assessment areas were identified based on the significance of the bank's lending and deposit activities within these assessment areas, in comparison to the limited scope assessment areas. Also considered was the length of time since the assessment area(s) were last examined using a full scope review. Chemung's performance in MSA 21300 (Elmira, NY) and the Non-Metropolitan New York assessment area received the most weight in determining the bank's overall New York State rating because of the concentration of deposits, lending, population, and owner-occupied housing units in these areas. Chemung's assessment areas are in compliance with the requirements of Section 228.41 of Regulation BB and do not arbitrarily exclude low- and moderate-income ("LMI") geographies. Additional assessment area data can be found in the Assessment Area Demographics tables. See CRA Appendix C for maps of the assessment areas. Chemung has no financial or legal impediments that would prevent it from fulfilling its responsibilities under CRA.

Previous Performance Evaluation

The bank received a rating of "Satisfactory" at its previous CRA examination as of June 19, 2017 conducted by the Federal Reserve Bank of New York. The Lending Test was rated "High Satisfactory," the Investment Test was rated "High Satisfactory," and the Service Test was rated "Outstanding."

SCOPE OF EXAMINATION

Procedures

Chemung's CRA performance was reviewed using the Federal Financial Institutions Examination Council's ("FFIEC") Interagency CRA Procedures for Large Retail Financial Institutions, which consists of the lending, investment, and service tests. The evaluation considered the CRA performance context, including the bank's asset size, financial condition, market competition, assessment area demographics and credit and community development needs.

Products

Home purchase, refinance, home improvement, and small business loans were analyzed. The mortgage loans were reported under Home Mortgage Disclosure Act ("HMDA"), while small business loans were reported under the CRA. Examiners verified the integrity samples of 2017 and 2018 HMDA and small business and small farm loan data. Multifamily and small farm loans had insufficient volume to analyze for borrower and geographic distribution; however, they were considered for community development purposes.

Evaluation Period

HMDA and small business and small farm loans originated between January 1, 2017 and December 31, 2018 were evaluated. Examiners also evaluated community development loans, qualified investments, and community development services from April 1, 2017 through March 31, 2019.

Lending Distribution Analysis

The analysis of borrower and geographic distribution was based on loans made in Chemung's assessment areas.

To evaluate the geographic distribution of HMDA related loans, the proportion of loan originations in LMI and non-LMI geographies were compared with the proportion of owner-occupied housing units in LMI and non-LMI geographies. With regard to small business loans, the analysis compared the proportion of loan originations with the proportion of businesses located in LMI and non-LMI geographies. Performance with regard to geographic distribution in low-income geographies was analyzed separately from performance in moderate-income geographies.

In order to analyze the borrower characteristics of home purchase and refinance lending, the proportion of originations to LMI borrowers was compared with the proportion of LMI families residing in the assessment area. Income estimates from the FFIEC were used to categorize borrower income. For the evaluation period, FFIEC-estimated median family income figures for each respective year was used to categorize borrower income levels of that year's loans. For small business and small farm lending, Chemung's percentage of loans to businesses with gross annual revenues ("GAR") of \$1 million or less and Chemung's percentage of loans to farm's with gross annual revenues of \$500,000 or less was compared to the percentage of all such businesses and farms located in the assessment area, as reported by Dun & Bradstreet (D&B). The size of the small business and small farm loans were also used as a proxy to identify lending to businesses with GAR of \$1 million or less

HMDA and small business lending performance for 2017 and 2018 was also compared with the 2017 and 2018 aggregate performance of all lenders in Chemung's assessment areas subject to HMDA and/or CRA small business and small farm reporting.

Community Development Activity Analysis

Community development activities were reviewed to determine whether activities had community development as a primary purpose and whether the community development activities benefitted the assessment area. The eligibility of a loan, investment, or service as a community development activity was based on demographic information at the time the community development activity was undertaken. Qualified community development activities were analyzed from both the quantitative and qualitative perspectives to understand the volume of activity impacting a particular assessment area, the innovativeness of those activities, and the responsiveness to local community development and credit needs. When appropriate, peer comparisons were conducted using annualized metrics to gauge the relative performance of the institution in a particular assessment area.

Deriving Overall Conclusions

In deriving overall conclusions, Chemung's performance in New York State received the most weight in determining the overall rating because of the high concentration of deposits, branches, and lending in this State. Chemung's performance in the New York assessment areas accounts for 96.0% of its total retail deposits and 95.1% of total HMDA-reportable and small business lending activity.

In reaching a conclusion about Chemung's overall performance within an individual assessment area, products were weighted based on their volume in that area. For additional details, see the Summary of Key Assessment Area Data table, which contains a summary of data for all rated areas. Demographic and economic information also impacted Chemung's performance context and is discussed in detail within each full-scope assessment area. Information was obtained from publicly available sources including the U.S. Department of Commerce's Bureau of the Census 2010, the American Community Survey, and the U.S. Department of Labor. In order to derive the state rating, full-scope assessment areas were weighted based on the proportion of loan originations and deposits in each. As a result, MSA 21300 and Non-Metropolitan New York had a significant impact on assessing the overall performance of the bank with 61.6% of the branch deposits and 51.5% of total loans within New York in 2018. Two additional assessment areas, MSA 13780 (Binghamton, NY) and MSA 27060 (Ithaca, NY), that had lesser but important impacts on the overall rating, were also chosen as full scope assessment areas. The State of Pennsylvania had a lesser impact on the overall performance of the institution.

Finally, a limited review was conducted of the bank's performance in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area.

Community Contacts

In order to learn more about community credit needs, examiners conducted interviews and received comments from four non-profit agencies.

One contact was with a non-profit organization whose mission is to enhance the quality of life in communities by building independence and creating housing options. The organization develops decent,

affordable, and safe housing. The organization operates as a human service and housing services provider, real estate developer and property management corporation. It also is a Neighborworks affiliate and rural development corporation.

The contact stated that some communities in upstate New York such as Corning, Horseheads, and Big Flats are vibrant while others such as Elmira, Hornell, and smaller communities across Steuben County are struggling. Generally, economic conditions across the Southern Tier of New York State are challenging. There is some affordable housing development in Corning and Elmira as well as market rate development. Banks are generally supportive to the community and focus their efforts on home ownership. There is a need for more foreclosure counseling and financial literacy efforts.

A second contact was with an economic development agency for one of the counties in the Non-Metropolitan assessment area. The mission is to leverage collaboration between private and public partners to successfully lead long-term, sustainable economic development. The organization provides services such as grant writing and management, small business loans, requests for proposal writing and issuing, site selection and business advisement. The contact stated that the county is doing well and is one of the few counties in Upstate NY where people are moving in and not leaving. The contact felt that banks could be doing more, especially in areas that need economic support. There is a need for small business loans, micro and startup loans, which the contact noted banks are not providing. Credit unions are offering small business workshops, which banks have been less involved in offering.

A third contact was with a non-profit corporation that provides housing counseling services to LMI individuals in Chemung and Schuyler Counties. Services include foreclosure prevention services in five upstate counties, pre and post counseling services for first time homebuyers, including grants for down payment assistance for eligible LMI individuals or families, and financial fitness services to help families reach their financial goals. The contact felt there is a need for affordable rental housing and that much of the rental housing is substandard because of absentee landlords. Home prices are slowly rising and there has been a focus on downtown redevelopment in Elmira. Local banks are providing services and products to help LMI individuals and families.

A fourth contact was with a non-profit organization whose mission is to provide safe, affordable housing for LMI rural New Yorkers. The organization identifies strategies to improve and provide affordable housing in the rural areas of New York State. Its service area includes all of New York State, with the exception of the metropolitan New York City area. The contact stated that real estate valuations in rural New York are low. Many of the homes need substantial repairs that exceed the home's value therefore homeowners have difficulty selling their homes and recouping their investments. The contact also stated that there is a need for financing; however, finance professionals in rural New York State lack understanding of more complex financing, such as LIHTCs, and can benefit from training. In addition, the contact indicated that banks need to improve foreclosure counseling as rural New York State still has a foreclosure crisis.

The table on the next page summarizes the key demographic and performance factors used to evaluate Chemung's performance within its assessment areas:

Summary of Key Assessment Area Data			
Key Data	New York	Pennsylvania	Totals
Total Population¹	1,301,055	88,048	1,389,103
Population % of AA population	93.7%	6.3%	100.0%
Families	305,929	23,377	329,306
Families % of AA families	92.9%	7.1%	100.0%
Total Census Tracts¹	326	20	346
Tracts % AA tracts	24.5%	0.0%	24.5%
LMI tracts	80	0	80
LMI tracts % all AA LMI tracts	100.0%	0.0%	100.0%
Total Owner-Occupied Units¹	332,791	25,759	358,550
Units % of AA units	92.8%	7.2%	100.0%
Business Establishments²	50,881	2,789	53,670
Bus. est. % AA bus. est.	94.8%	5.2%	100.0%
Number of Branches³	32	3	35
Branches % all branches	91.4%	100.0%	191.4%
Branches in LMI tracts	6	0	6
LMI branches % AA LMI branches	100.0%	0.0%	100.0%
Branch Deposits (\$'000s)⁴	1,422,892	60,012	1,482,904
Deposits % AA deposits	96.0%	4.0%	100.0%
Deposit Market Share (%) / Rank in Mkt.	6.1/6	2.9/6	na
Home Purchase Originations⁵	262	11	273
HP originations % AA orig.	96.0%	4.0%	100.0%
Refinance Originations⁵	229	33	262
Refi orig. % AA orig.	87.4%	12.6%	100.0%
Home Improvement Originations⁵	291	57	348
HI orig. % AA orig.	83.6%	100.0%	183.6%
Small Business Originations⁵	454	37	491
SB orig. % AA orig.	92.5%	7.5%	100.0%
Combined Loan Totals⁵	1,236	138	1,374
% of AA Originations	90.0%	10.0%	100.0%
(1) 2015 American Community Survey (ACS)			
(2) Source: 2018 Dun & Bradstreet			
(3) Number of branches as of 12/31/2018			
(4) Source: FDIC summary of deposit data as of 6/30/2018			
(5) Originations include originations from January 1, 2017 - December 31, 2018			

CONCLUSION WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Chemung's overall performance in meeting the credit needs of its assessment area is rated *High Satisfactory*. The major factors contributing to this overall rating are adequate responsiveness to the retail credit needs of the community, a majority of loans were in the assessment area, the geographic distribution of loans reflected good penetration throughout the assessment area, relatively high and the distribution of borrowers reflected, given the product lines offered, good penetration among customers of different income levels and businesses of different sizes. In addition, the bank made a relatively high level of community development loans and made limited use of innovative and/or flexible lending practices in serving AA credit needs, and good geographic and borrower distribution for HMDA and small business loans.

Lending Activity

Chemung's lending levels reflected adequate responsiveness to the credit needs of the assessment areas, given the bank's capacity to meet assessment areas credit needs and overall market conditions. This was determined by evaluating the volume of HMDA-related and small business loans originated or purchased during the evaluation period. This conclusion is based on good performances in the Non-Metropolitan New York assessment area, MSA 13780 (Binghamton, NY), and the Pennsylvania Non-Metropolitan assessment area. Performance was adequate in MSA 21300 (Elmira, NY) and MSA 27060 (Ithaca, NY).

SUMMARY OF LENDING ACTIVITY JANUARY 1, 2017 – DECEMBER 1, 2018				
LOAN TYPE	#	%	\$(‘000s)	%
HMDA Home Purchase	331	20.4	\$56,860	16.0
HMDA Refinancing	298	18.4	\$37,282	10.5
HMDA Home Improvement	382	23.5	\$8,257	2.3
HMDA Multifamily	26	1.6	\$103,634	29.2
Total HMDA-Related	1,037	63.9	\$206,033	58.0
Total Small Business	570	35.1	\$145,187	40.8
Total Small Farm	16	1.0	\$3,205	0.9
TOTAL LOANS	1,623	100.0	\$355,425	100.0

Note: This table includes bank and affiliate loans made within the evaluation period.

Overall, Chemung made 1,623 home purchase, refinance, home improvement, multifamily, small business, and small farm loans during the evaluation period, totaling \$355.4 million, as detailed above.

Assessment Area Concentration

A substantial majority of loans originated by Chemung were extended in the bank's assessment areas, as detailed in the chart on the next page. The bank originated 86.7% of its loans in the assessment areas for 2017 by number and 83.3% by dollar volume during this examination period. Performance in 2018 indicated that Chemung made 87.6% of its loans by number and 75.3% by dollar volume in the AA.

Lending Inside and Outside the Assessment Area from January 1, 2017 - December 31, 2017

Loan Types	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Improvement	305	91.6	\$4,698	80.5	28	8.4	\$1,136	19.5
Home Purchase - Conventional	123	76.4	\$22,804	72.2	38	23.6	\$8,793	27.8
Multi-Family Housing	9	69.2	\$34,146	81	4	30.8	\$8,027	19
Refinancing	133	87.5	\$17,849	87.8	19	12.5	\$2,481	12.2
Total HMDA related	570	86.5	\$79,497	79.5	89	13.5	\$20,437	20.5
Small Business	216	86.7	\$61,695	88.4	33	13.3	\$8,066	11.6
Total Small Bus. related	216	86.7	\$61,695	88.4	33	13.3	\$8,066	11.6
Small Farm	6	100	\$1,465	100	0	0	\$0	0
Total Small Farm related	6	100	\$1,465	100	0	0	\$0	0
TOTAL LOANS	792	86.7	\$142,657	83.3	122	13.3	\$28,503	16.7

Note: Affiliate loans not included

Lending Inside and Outside the Assessment Area from January 1, 2018 - December 31, 2018

Loan Types	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Improvement	43	87.8	\$2,116	87.3	6	12.2	\$307	12.7
Home Purchase - Conventional	144	84.7	\$19,966	79	26	15.3	\$5,297	21
Multi-Family Housing	7	53.8	\$32,422	52.8	6	46.2	\$29,039	47.2
Refinancing	131	89.7	\$15,071	88.9	15	10.3	\$1,881	11.1
Total HMDA related	325	86	\$69,575	65.6	53	14	\$36,524	34.4
Small Business	286	89.1	\$66,640	88.4	35	10.9	\$8,786	11.6
Total Small Bus. related	286	89.1	\$66,640	88.4	35	10.9	\$8,786	11.6
Small Farm	10	100	\$1,740	100	0	0	\$0	0
Total Small Farm related	10	100	\$1,740	100	0	0	\$0	0
TOTAL LOANS	621	87.6	\$137,955	75.3	88	12.4	\$45,310	24.7

Note: Affiliate loans not included

Geographic Distribution

The overall geographic distribution of HMDA and small business loans reflected good penetration in LMI geographies. Performance was good in the states of New York and Pennsylvania. The analysis considered performance context factors such as the number of owner-occupied housing units in LMI geographies and the market aggregate's performance. Demand for residential mortgage products typically is tied to the availability of owner-occupied housing units.

Distribution of Loans by Borrower Income and Businesses of Different Sizes

The overall distribution of loans among borrowers of different income levels and businesses of different sizes was good based on good distribution in the State of New York and good distribution in the State of Pennsylvania. Performance relative to moderate-income borrowers was given the most weight because of housing affordability.

Innovative or Flexible Lending Practices

Chemung made limited use of innovative and/or flexible lending practices in serving assessment area credit needs. A number of Chemung's products were responsive to specific community needs in the assessment areas, as illustrated below:

- Chemung offers Freddie Mac 5% down and 3% mortgage products for first time-homebuyers.
- Chemung offers a first-time homebuyer product through the Tompkins County Ithaca Neighborhood Housing Service program for Tompkins and adjoining counties.
- For the City of Elmira in Chemung County, Chemung also offers the City of Elmira First Time Homebuyers Grant Program.
- The bank participates in the Federal Home Loan Bank's (FHLB) First Home Club, and also offers SONYMA loans to first time homebuyers.
- Chemung also participates with Community Progress, a local not-for-profit and Rural Preservation Company in low cost restoration projects.

Community Development Lending

Chemung had a relatively high level of community development lending. Performance was good in the State of New York while performance in the State of Pennsylvania was adequate.

As depicted in the chart below, the bank extended 67 community development loans totaling \$22.7 million, which represents a decline of less than 0.1% since the prior examination (adjusted for new loans only). The bank's community development lending performance was comparable to the performance of similarly situated banks in the assessment areas.

Community development lending was focused on community services and was responsive to identified credit needs as according to community contacts, there is a strong need in the Southern Tier of New York for social services. Most of Chemung's community development loans were to non-profit organizations that provide social services to LMI individuals and families. However, while affordable housing is also a need according to community contacts, the bank had limited activity with affordable housing as community development purpose.

Community Development Loan Summary										
April 1, 2017 - March 31, 2019										
Assessment Area	#	Affordable Housing (\$000s)	#	Community Services (\$000s)	#	Economic Development (\$000s)	#	Revitalize and Stabilize (\$000s)	#	Total (\$000s)
MSA 21300	0	\$0	31	\$11,091	0	\$0	0	\$0	31	\$11,091
NY Non Metropolitan AA	1	\$600	15	\$6,199	0	\$0	0	\$0	16	\$6,799
MSA 10580	0	\$0	8	\$2,223	0	\$0	2	\$500	10	\$2,723
MSA 13780	0	\$0	5	\$1,883	0	\$0	0	\$0	5	\$1,883
MSA 27060	0	\$0	0	\$0	0	\$0	0	\$0	0	\$0
PA Non Metropolitan AA	0	\$0	5	\$149	0	\$0	0	\$0	5	\$149
Total Community Development Loans	1	\$600	64	\$21,545	0	\$0	2	\$500	67	\$22,645
Percent Total # / \$ CD Development Loans	1%	3%	96%	95%	0%	0%	3%	2%	100%	100%

INVESTMENT TEST

Chemung’s investment test performance is rated *low satisfactory* based on adequate performance in the State of New York and adequate performance in the State of Pennsylvania, which reflects a downgrade from the previous evaluation. Chemung’s investment test performance is rated low satisfactory based on adequate performance in MSA 21300 (Elmira, NY), the Non-Metropolitan NY assessment area, MSA 27060 (Ithaca, NY) and the Non-Metropolitan PA assessment area. Investment test performance was poor in MSA 13780 (Binghamton, NY). Chemung had an overall adequate level of qualified community development investments that exhibited adequate responsiveness to credit and community development needs.

As shown in the table below, Chemung’s qualified community development investments were adequate in response to credit and community development needs in its AAs. Qualified investments totaled approximately \$9.6 million. Of the total \$9.6 million, 96.8% represented new investments made since the prior examination. In comparison to the previous CRA examination, Chemung’s qualified investment volume declined 27.4% on an annualized basis. Chemung’s performance, however, was comparable to other similarly situated large retail banks in the bank’s assessment areas as Chemung ranked fourth out of five peer banks in terms of annualized qualified investments to average assets and to Tier 1 capital.

Qualified Investment Summary										
April 1, 2017 - March 31, 2019										
Assessment Area	#	Affordable Housing (\$000s)	#	Community Services (\$000s)	#	Economic Development (\$000s)	#	Revitalize and Stabilize (\$000s)	#	Total (\$000s)
MSA 21300	0	\$0	42	\$173	0	\$0	2	\$600	44	\$773
NY Non Metropolitan AA	0	\$0	33	\$1,351	0	\$0	0	\$0	33	\$1,351
MSA 10580	0	\$0	27	\$63	0	\$0	1	\$900	28	\$963
MSA 13780	0	\$0	13	\$24	0	\$0	0	\$0	13	\$24
MSA 27060	0	\$0	18	\$26	0	\$0	1	\$445	19	\$471
NYS Broader Statewide/Regional Area	0	\$0	19	\$4,360	0	\$0	7	\$1,655	26	\$6,015
PA Non Metropolitan AA	0	\$0	7	\$14	0	\$0	0	\$0	7	\$14
Total Qualified Investments	0	\$0	159	\$6,011	0	\$0	11	\$3,600	170	\$9,611
Percent Total # / \$ Investments	0%	0%	94%	63%	0%	0%	6%	37%	100%	100%

Of total qualified investments, 62.6% by dollar consisted of the purchase of municipal bonds that principally benefited school districts in the broader Statewide or Regional area where more than 50% of the students received free or reduced rate lunches. While these investments were responsive to assessment area needs, they were not particularly innovative or complex.

Qualified investments also included 138 grants and donations, totaling \$419,000, to organizations providing community services activities throughout the bank’s assessment areas.

SERVICE TEST

Chemung’s overall rating on the service test is *high satisfactory* based primarily on good performance in the State of New York and adequate performance in the State of Pennsylvania.

Retail Services

Chemung’s delivery systems are accessible to the bank’s geographies and individuals of differing income levels in its AAs. As of December 31, 2018, the bank operated a network of 35 branch locations (including its main office and branches). Two branches were located in low-income census tracts and four were located in moderate-income census tracts. Twenty-one branches were located in middle-income census and eight were located in upper-income census tracts.

Chemung’s record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to LMI geographies and/or LMI individuals. Chemung opened two branches during the evaluation period. One new branch was located in a moderate-income census tract and one was located in a middle-income census tract. The bank relocated one branch within a middle-income census tract. While the bank opened a branch in a moderate-income tract helping to improve accessibility, the number of branches located in a moderate-income census tract changed as a result of changes in census tract designations from the 2015 ACS. Two branches in MSA 21300 (Elmira, NY) and one branch in MSA 13780 (Binghamton, NY) were located in census tracts that were reclassified from moderate-income to middle-income. Chemung’s branches and ATMs are summarized in the subsequent chart:

Summary of Chemung’s Branches						
Branch Location By Census Tract Income Level						
As of December 31, 2018						
Tract Income Category	Branches		ATMs			
			Full service		Cash Only	
	#	%	#	%	#	%
Low	2	5.7	1	2.9	2	18.2
Moderate	4	11.4	4	11.8	1	9.1
Middle	21	60.0	22	64.7	3	27.3
Upper	8	22.9	7	20.6	5	45.5
Unknown	0	0.0	0	0.0	0	0.0
Total	35	100.0	34	100.0	11	100.0

ATMs include both branch and off-site locations.

Chemung operated 34 full service Automated Teller Machines (“ATMs”) throughout its assessment area. Chemung also maintained proprietary cash only ATMs at 11 off-site locations.

All of Chemung’s products and services were available at each branch location. The bank’s branch hours do not vary in a way that that could affect the overall accessibility of Chemung’s delivery systems in the assessment areas, particularly LMI geographies and/or LMI individuals. All of the branches had extended hours. However only 22 branches, approximately 63.0%, have Saturday hours. Similarly, only two of the eight branches located in LMI census tracts had Saturday lobby hours and Saturday drive-in hours.

Alternative delivery systems also enhanced the bank’s performance. In addition to its branches and ATMs, Chemung maintained two full-service websites (Chemung and its Capital Bank division) which offered customers online banking products, including checking and savings account opening, balance inquiries, fund transfers, account statements, account histories, check images and bill payment services. In addition, the bank’s website offered a suite of products and services to business customers.

Chemung’s products and services were also accessible through the Bank’s mobile application, which was available on both Android and IOS platforms.

Community Development Services

Chemung provides a relatively high level of community development services throughout its assessment areas with 570 hours of community development services through 58 community service events, which consisted of financial literacy and housing seminars, as well as the provision of technical assistance to non-profits and small businesses in its assessment areas.

Bank officers and employees served on the boards and committees of 153 community development organizations with over 6,667 hours of community services activity providing financial management expertise and technical assistance to these organizations.

The following are examples of community development services provided by the bank:

- Two officers served on the boards of directors of community based non-profit organizations that provide people with disabilities with support and vocational training in order for them to choose and get the job of their choice.
- Two officers served as members of the finance committee of the board of directors of a non-profit organization, which operates group homes, provides foster care, preventive and school based services, and teaches life skills to LMI children.
- Two officers sit on the board of directors of a shelter for woman who are victims of domestic violence.
- One officer is a member of the board of directors of a charter school committed to improving education in Elmira.
- Three officers served as members of the board of directors and committee members of Habit for Humanity, a non-profit organization dedicated to providing affordable housing for LMI individuals and families in Chemung County.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

A violation of Section (5) of the Federal Trade Commission Act involving unfair acts and practices were self-identified by the Bank. The violation did not result in an adjustment to the CRA rating. Once the violation was identified, bank management was proactive in taking corrective action to address it.

STATE OF NEW YORK

CRA RATING FOR NEW YORK: Satisfactory

The Lending Test is rated: High Satisfactory

The Investment Test is rated: Low Satisfactory

The Service Test is rated: High Satisfactory

The major factors supporting the rating include:

Lending Test:

- Lending levels reflected adequate responsiveness to AA credit needs.
- The geographic distribution of loans reflected good penetration throughout the AA.
- The distribution of borrowers reflected, given the product lines offered, good penetration among customers of different income levels and businesses of different sizes.
- The institution exhibited a good record of serving the credit needs of low-income individuals and areas and very small businesses.
- The institution made a relatively high level of CD loans.
- The institution made limited use of innovative and/or flexible lending practices in serving AA credit needs.

Investment Test:

- The institution provided an adequate level of qualified CD investments and grants, particularly those not routinely provided by private investors, rarely in a leadership position.
- The institution made occasional use of innovative and/or complex investments to support CD initiatives.
- The institution exhibited adequate responsiveness to credit and CD needs.

Service Test:

- Delivery systems were accessible to the bank's geographies and individuals of different income levels in its AA.
- The institution's record of opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly to LMI geographies and/or LMI individuals.
- Services did not vary in a way that inconveniences its AA, particularly LMI geographies and/or LMI individuals.
- The institution provided a relatively high level of CD services.

SCOPE OF EXAMINATION

The following assessment areas in New York received full scope evaluation:

- MSA 21300 (Elmira, NY), consisting of Chemung County, NY.
- Non-Metropolitan New York Counties, consisting of Cayuga, Cortland, Schuyler, and Seneca Counties and the eastern portion of Steuben County, NY.
- MSA 13780 (Binghamton, NY), consisting of portions of Broome County, including the City of Binghamton and Tioga County.
- MSA 27060 (Ithaca, NY), consisting of Tompkins County, NY.

As shown previously, the combined full-scope areas make up 75.4% of the bank's deposits and 68.0% of the loans in the state.

The following assessment area in New York received limited scope evaluation:

- MSA 10580 (Albany-Schenectady-Troy, NY), which includes all of Albany, Saratoga Counties, and Schenectady Counties.

The time period, products, and affiliates evaluated for these assessment areas are consistent with the scope discussed in the institution section of this report.

DESCRIPTION OF INSTITUTION'S OPERATIONS

Chemung's performance in the New York State assessment areas received the most weight in deriving the bank's overall CRA performance rating. New York State accounts for 90.0% of the total retail and small business loans, 96.0% of deposits in the bank's overall assessment area, 91.4% of branches, and 94.2% of all census tracts. Furthermore, 96.0% of home purchase loans, 87.4% of refinance loans, 83.6% of home improvement loans, and 92.5% of small business loans were originated in the New York State assessment areas during the examination period.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Chemung's lending test performance is rated *high satisfactory* based on good performance in MSA 21300 (Elmira, NY), MSA 13780 (Binghamton, NY), and in the Non-Metropolitan New York assessment area and adequate performance in MSA 27060 (Ithaca, NY). Lending activity reflected adequate responsiveness to assessment area credit needs in relation to the bank's capacity and performance context issues.

Geographic Distribution

The overall geographic distribution of HMDA-related and small business loans reflected good penetration throughout the New York State assessment areas. This conclusion is based on good performance in MSA 21300 (Elmira, NY), good performance in MSA 27060 (Ithaca, NY), and adequate performance in the Non-Metropolitan New York assessment area and in MSA 13780 (Binghamton, NY).

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The overall borrower distribution of HMDA-related and small business loans was good. This conclusion is based on good performance in the Non-Metropolitan New York assessment area and MSA 27060 (Ithaca, NY), and adequate performance in MSA 21300 (Elmira, NY) and MSA 13780 (Binghamton, NY).

Community Development Lending

Chemung had a relatively high level of community development lending performance in the State of New York. The bank extended 62 community development loans totaling \$22.5 million, which represents a decline of less than 0.1% since the prior evaluation (adjusted for new loans only). Community development lending performance was excellent in the Non-Metropolitan New York assessment area, good in MSA 21300 (Elmira, NY), adequate in MSA 13780 (Binghamton, NY), and poor in MSA 27060 (Ithaca, NY).

INVESTMENT TEST

Chemung's investment test performance is rated *low satisfactory* based on adequate performance in MSA 21300 (Elmira, NY), the Non-Metropolitan assessment area and MSA 27060 (Ithaca, NY). Investment test performance was poor in MSA 13780 (Binghamton, NY). Chemung had an overall adequate level of qualified community development investments that exhibited adequate responsiveness to credit and community development needs. Qualified investments in New York State totaled \$9.6 million or almost 100% of the bank's total qualified investments. Total investments included \$6.0 million of investments made in the broader statewide or regional area of New York State.

SERVICE TEST

Chemung's performance under the service test in the New York State AAs is rated *high satisfactory*. This conclusion is based on excellent performance in MSA 21300 (Elmira, NY), good performance in the Non-Metropolitan New York AA and in MSA 27060 (Ithaca, NY) and adequate performance in MSA 13780 (Binghamton, NY).

Retail Services

Chemung has 32 banking centers in New York, which represent 91.4% of Chemung's total branches, with two branches located in low-income census tracts and four branches in moderate-income census tracts. Retail delivery systems were readily accessible to all geographies, including LMI geographies, individuals of different income levels, and businesses of different revenue sizes in the institution's assessment areas. Retail service distribution was excellent in the Non-Metropolitan New York AA, good in MSA 21300 (Elmira, NY) and MSA 27060 (Ithaca, NY) and adequate in MSA 13780 (Binghamton, NY).

Chemung's record of opening and closing offices has not adversely affected the accessibility of its delivery systems, particularly in LMI geographies and to LMI families. Business hours and services do not vary in a way that inconveniences the assessment area, including LMI geographies.

Community Development Services

Chemung provided a relatively high level of community development services in New York. Chemung had excellent performance in MSA 21300 (Elmira, NY) and good performance in the Non-Metropolitan New York AA and MSA 13780 (Binghamton, NY). Performance was adequate in MSA 27060 (Ithaca, NY).

Summary of Key Assessment Area Data - New York State						
Key Data	MSA 21300	NY-Non-Metropolitan Area	MSA 10580	MSA 13780	MSA 27060	Total New York State
Total Population ¹	88,267	242,489	686,033	180,411	103,855	1,301,055
Population % of AA population	6.8%	18.6%	52.7%	13.9%	8.0%	100.0%
Families	21,951	59,873	161,356	42,499	20,250	305,929
Families % of AA families	7.2%	19.6%	52.7%	13.9%	6.6%	100.0%
Total Census Tracts ¹	22	65	168	48	23	326
Tracts % AA tracts	6.7%	19.9%	51.5%	14.7%	7.1%	100.0%
LMI tracts	7	5	47	17	5	81
LMI tracts % all AA LMI tracts	8.6%	6.2%	58.0%	21.0%	6.2%	100.0%
Total Owner-Occupied Units ¹	24,286	66,969	174,170	46,010	21,356	332,791
Units % of AA units	7%	20%]	14%	6%	48%
Business Establishments ²	2,681	8,084	29,877	6,190	3,986	50,818
Bus. est. % AA bus. est.	5.3%	15.9%	58.8%	12.2%	7.8%	100.0%
Number of Branches ³	7	9	7	6	3	32
Branches % all branches	21.9%	28.1%	21.9%	18.8%	9.4%	100.0%
Branches in LMI tracts	1	1	2	0	1	5
LMI branches % AA LMI branches	20%	20%	40%	0%	20%	100%
Branch Deposits (\$'000s) ⁴	498,011	378,779	252,239	196,234	97,629	1,422,892
Deposits % AA deposits	35.0%	26.6%	17.7%	13.8%	6.9%	100.0%
Dep. Mkt. Shr. (%)/ Rank in Mkt.	47.5/1	10.3/4	.94/14	4.9/6	4.7/4	6.1/6
Home Purchase Originations ⁵	44	37	26	33	7	147
HP originations % AA orig.	29.9%	25.2%	17.7%	22.4%	4.8%	100.0%
Refinance Originations ⁵	27	38	16	19	12	112
Refi orig. % AA orig.	24.1%	33.9%	0.0%	17.0%	10.7%	85.7%
Home Improvement Originations ⁵	14	12	5	3	0	34
HI orig. % AA orig.	41.2%	35.3%	14.7%	8.8%	0.0%	100.0%
Small Business Originations ⁵	73	36	117	19	8	253
SB orig. % AA orig.	28.9%	14.2%	46.2%	7.5%	3.2%	100.0%
Combined Loan Totals ⁵	158	123	164	74	27	546
% of AA Originations	28.9%	22.5%	30.0%	13.6%	4.9%	100.0%
(1) 2015 American Community Survey (ACS)						
(2) Source: 2018 Dun & Bradstreet						
(3) Number of branches as of 12/31/2018						
(4) Source: FDIC summary of deposit data as of 6/30/2018						
(5) Originations include originations from January 1, 2018 - December 31, 2018						

METROPOLITAN AREA

(FULL REVIEW)

MSA 21300 (Elmira, NY)

DESCRIPTION OF INSTITUTION'S OPERATIONS

This assessment area contains the largest proportion of Chemung's loans and deposits. Chemung operates 7 of its 32 New York State branches in MSA 21300 (Elmira, NY) and 31.9% of the bank's HMDA-related and small business loans in New York State were originated in this assessment area. As of June 30, 2018, 35.0% of Chemung's total deposits in New York State were held in this assessment area. With a deposit market share of 47.5%, Chemung was the largest depository institution, followed by Elmira Savings Bank, which held 26.9% of deposits. Other lead banks in terms of deposit market share were Community Bank National Association, Five Star Bank, Manufacturers and Traders Trust Company, and Tioga State Bank Company. For additional assessment area data, see Summary of Key Assessment Area Data - New York State.

PERFORMANCE CONTEXT

The following demographic and economic information was obtained from publicly available sources that include the U.S. Department of Commerce's Bureau of Census, the U.S. Department of Labor, and Dun & Bradstreet.

Demographic Characteristics

Chemung's assessment area in MSA 21300 (Elmira, NY) consists of all of Chemung County which includes the City of Elmira, NY. According to the 2015 ACS, MSA 21300's population totals 88,267. The MSA contains 6.8% of the bank's New York State combined assessment area population. Of the 22 census tracts in the assessment area, four, or 18.2%, are low-income, three, or 13.6%, are moderate-income, 11 or 50% are middle-income, three or 13.6% are upper-income, and one or 4.5% is of unknown income.

Income Characteristics

The MSA 21300 (Elmira, NY) assessment area has 21,951 families, of which 22.9% are considered low-income, 16.0% are moderate-income, and 12.5% have incomes below the poverty level. The FFIEC-estimated median family incomes for the MSA 21300 (Elmira, NY) ranged from \$64,600 in 2017 to \$71,000 in 2018.

Housing Characteristics

The 2015 ACS showed that MSA 21300 (Elmira, NY) had 38,382 housing units, of which 63.3% are owner-occupied and 28.3% are rental units. Of the available owner-occupied units, 13.2% are located in LMI areas. In low-income census tracts 62.6% the housing units are rental units, 15.0% are vacant, and 22.5% are owner-occupied. In moderate-income census tracts 48.8% of the housing units are either rental or vacant, and 51.2% are owner-occupied.

The 2015 ACS showed that the median age of housing stock in the assessment area was 63 years old, with 46.2% of the stock built before 1950. Within the assessment area, the median age of housing stock was 61 years in low- and moderate-income tracts, which indicates that there is ample opportunity to make home improvement loans.

According to the 2015 ACS, the median housing value in the assessment area was \$100,415, with an affordability ratio¹ of 50.1. The median gross rent in the assessment area was \$713 per month. Within the assessment area 49.4% of all renters had rental costs that exceeded 30% of their incomes.

Labor, Employment and Economic Characteristics

Long term economic trends in the Elmira, NY MSA indicate an increase in employment in education, health care and services. However, many service jobs in the area are relatively low paying. In 2018, The Elmira, NY MSA had 2,681 businesses with 2,341, or 87.3%, having gross annual revenues of \$1 million or less. In addition, during the examination period, the annual unemployment rates for Chemung County decreased from 5.5% in 2017 to 4.6% in 2018. Unemployment is higher in the City of Elmira than in Chemung County. Additional performance context data for this assessment area is provided in the MSA 21300 (Elmira, NY) Assessment Area Demographics table on the next page.

¹ The affordability ratio is derived by dividing the median household income by the median housing value. The higher the affordability ratio, the more affordable a home is considered.

Assessment Area Demographics Report MSA 21300 (Elmira, NY) - 2018								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	4	18.2	2,285	10.4	1,024	44.8	5,035	22.9
Moderate-income	3	13.6	2,070	9.4	455	22.0	3,522	16.0
Middle-income	11	50.0	11,752	53.5	1,116	9.5	4,616	21.0
Upper-income	3	13.6	5,844	26.6	157	2.7	8,778	40.0
Unknown-income	1	4.5	0	0.0	0	0.0	0	0.0
Total Assessment Area	22	100.0	21,951	100.0	2,752	12.5	21,951	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	5,045	1,133	4.7	22.5	3,156	62.6	756	15.0
Moderate-income	4,009	2,054	8.5	51.2	1,672	41.7	283	7.1
Middle-income	20,476	13,663	56.3	66.7	5,052	24.7	1,761	8.6
Upper-income	8,841	7,436	30.6	84.1	1,001	11.3	404	4.6
Unknown-income	11	0	0.0	0.0	0	0.0	11	100.0
Total Assessment Area	38,382	24,286	100.0	63.3	10,881	28.3	3,215	8.4
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	510	19.0	414	17.7	91	31.6	5	9.6

Moderate-income	329	12.3	275	11.7	50	17.4	4	7.7
Middle-income	1,169	43.6	1,050	44.9	87	30.2	32	61.5
Upper-income	672	25.1	602	25.7	59	20.5	11	21.2
Unknown-income	1	0.0	0	0.0	1	0.3	0	0.0
Total Assessment Area	2,681	100.0	2,341	100.0	288	100.0	52	100.0
	Percentage of Total Businesses:			87.3		10.7		1.9

Based on 2018 FFIEC Census Data and 2018 D&B Information

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Chemung’s performance relative to the lending test is rated high satisfactory. Lending levels reflected good responsiveness to community needs. The bank’s performance with regard to the geographic distribution of loans reflected good penetration throughout the assessment area. The distribution of borrowers reflected good penetration among borrowers of different income levels and businesses of different sizes. In addition, the bank made a relatively high level of community development loans.

Lending Activity

Chemung’s lending activity demonstrated good responsiveness to the retail credit needs of the MSA 21300 (Elmira, NY). Chemung originated 80 home purchase, 48 refinance, 129 home improvement, and 138 small business loans during the evaluation period in this assessment area. In 2018, Chemung ranked first in deposit market share, with 47.5% of deposits, seventh in home purchase lending (7% market share), fifth in refinance lending (6.7% market share), fourth in home improvement lending (7.9% market share), and third in small business lending (9.2% market share). Peer comparisons based on the number of loans per billion dollars of deposits indicate that the bank’s performance was comparable in HMDA lending with the lending volume of peer banks and exceeded peer banks in small business lending.

Chemung’s number of HMDA-related and small business loans decreased by 26.4% on an annualized basis compared to the previous evaluation period. Specifically, small business lending decreased by 24.5% and HMDA-related lending decreased by 46.5%. Home purchase lending decreased by 26.4%, refinance lending decreased by 37.9% and home improvement lending decreased by 56.2%. The decrease in home improvement lending is due in part to changes in HMDA reporting requirements beginning in 2018.

Geographic Distribution of Loans

Chemung’s overall geographic distribution of loans reflects good dispersion throughout the entire assessment area, including LMI census tracts. HMDA-related lending performance was good while small business lending performance was excellent. The rating also considers an analysis of conspicuous gaps in

lending which indicates that during the evaluation period, Chemung had excellent HMDA and small business loan penetration in 2017 and 2018, originating loans in all but one census tract within the assessment area. Opportunities to make HMDA related loans in low-income census tracts were limited in part due to a poverty rate of 44.8% in low-income census tracts. This performance context consideration is confirmed by the performance of the market aggregate, which in 2017, made 72 HMDA-related loans in low-income geographies, and 61 in 2018.

Home Purchase Loans

Chemung's home purchase lending distribution in MSA 21300 was considered good in light of demographic and performance context challenges relating to housing affordability and the availability of owner-occupied housing in low-income geographies in the assessment area. Chemung's performance in low-income census tracts was adequate. In 2018 Chemung made three home purchase loans in low-income geographies (6.8% by number and 3.2% by dollar volume) and did not make any home purchase loans in low-income geographies in 2017. In comparison, 4.7% of all owner-occupied housing units in the assessment area were located in low-income geographies for both 2017 and 2018. Performance exceeded the aggregate in 2018, which made 4.2% by number and 1.9% by dollar volume but Chemung's 2017 performance was below the aggregate's 3.2% by number and 1.6% by dollar volume.

Chemung's home purchase lending performance in moderate-income geographies was good. Chemung originated 6.8% by number and 3.8% by dollar volume of its home purchase loans in moderate-income geographies in 2018, compared to 8.5% of owner-occupied housing units located in moderate-income geographies in the MSA. Chemung's performance in moderate-income geographies was below the market aggregate, which made 9.6% by number and 5.5% by dollar volume of its home purchase loans in moderate-income geographies in 2018. Home purchase lending performance in moderate-income geographies in 2017 was excellent as the bank originated 11.1% by number and 9.1% by dollar volume of its home purchase loans in moderate-income geographies exceeding both the demographics and the aggregate's 9.3% by number and 6.4% by dollar volume.

Refinance Loans

Chemung's refinance lending performance in the LMI geographies of MSA 21300 was adequate. Chemung's refinance lending in low-income geographies was adequate when considering performance context factors that make HMDA-related lending challenging in low-income geographies. Of all families in low-income geographies, 44.8% have incomes below the poverty level, indicating limited lending opportunities. Chemung did not make any refinance loans in 2017 and 2018 in low-income geographies, while 4.7% of owner-occupied housing units were located in low-income geographies. Performance was below the market aggregate, which originated 13 or 3.2% by number and 1.7% by dollar in 2017 and 12 or 3.0% by number and 1.4% by dollar volume in 2018 in low-income geographies.

Chemung's refinance lending performance in moderate-income geographies was adequate. Chemung originated 7.4% by number and 14.2% by dollar volume its refinance loans in moderate-income geographies in 2018 compared to 8.5% of owner-occupied housing units located in moderate-income geographies in this MSA. Chemung's performance was below the market aggregate, which originated 9.9% by number and 7.4% by dollar volume of its refinance loans in moderate-income census tracts. Chemung's

2017 was poor as Chemung did not make any refinance loans in moderate-income geographies while the aggregate made 8.4% by number and 4.6% by dollar volume.

Home Improvement Loans

Chemung's overall home improvement lending performance in the LMI geographies of MSA 21300 was excellent based on performance in 2017. In 2018, reporting requirements were changed reducing the number of home improvement loans being reported, as such Chemung's 2018 volume is insufficient to obtain meaningful conclusions. Home improvement lending in low-income geographies in 2017 was excellent as Chemung originated 7.8% by number and 5.4% by dollar volume in low-income geographies, while 4.7% of owner-occupied housing units are in low-income census tracts. Chemung's performance exceeded the market aggregate, which made 5.3% by number and 3.0% by dollar volume in low-income geographies in 2017.

Chemung's home improvement lending performance in moderate-income census tracts was also excellent. Chemung originated 8.7% by number and 5.7% by dollar volume of its home improvement loans in moderate-income census geographies in 2017, compared to 8.5% of owner-occupied housing units located in moderate-income census tracts in this MSA. Chemung's performance was similar to the market aggregate which originated 8.2% by number and 5.2% by dollar of its home improvement loans in moderate-income census geographies.

Small Business Loans

Overall, Chemung's small business lending performance in the LMI geographies of MSA 21300 was excellent. Chemung's small business performance in 2018 was excellent overall based on excellent performance in LMI geographies. Chemung made 26.0% by number and 21.8% by dollar volume of its small business loans in low-income geographies and 30.1% by number and 31.0% by dollar volume in moderate-income geographies in 2018, compared to 19.0% and 12.3% of business establishments located in low- and moderate-income geographies respectively. Chemung's performance in both low- and moderate-income geographies was above the market aggregate, which made 17.1% by number and 21.7% by dollar volume of its small business loans in low-income geographies and 14.5% by number and 20.7% by dollar volume in moderate-income geographies.

Chemung's small business performance in 2017 was excellent overall based on good performance in low-income geographies and excellent performance in moderate-income geographies. Chemung originated 18.5% by number and 25.1% by dollar volume in low-income geographies compared to 19.1% of business establishments and 32.3% by number and 33.1% by dollar volume in moderate-income geographies compared to 12.5% of business establishments. Performance in 2017 was above the market aggregate in both low- and moderate-income geographies as the aggregate reported 15.6% by number and 23.6% by dollar volume in low-income geographies and 13.5% by number and 21.6% by dollar volume in moderate-income geographies.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

Lending performance in the assessment area relating to borrower distribution was good overall and reflected good penetration among individuals of all income levels (including LMI) and adequate penetration of businesses of different sizes. While housing is generally affordable to moderate-income borrowers in the

MSA, housing costs are generally three or four times the income of low-income families, which makes it difficult for low-income families to purchase a home.

Home Purchase Loans

Chemung's distribution of home purchase loans to LMI borrowers in MSA 21300 was excellent based on adequate distribution to low-income borrowers and excellent distribution to moderate-income borrowers. In 2018, Chemung originated 11.4% by number and 6.8% by dollar volume of its home purchase loans to low-income borrowers, while 22.9% of the families in the MSA are low-income. Chemung's performance was similar to the market aggregate, which made 11.9% by number and 6.0% by dollar volume of its home purchase loans to low-income borrowers. Chemung's 2017 home purchase lending performance for low-income borrowers was below 2018's performance as Chemung originated 8.3% by number and 4.7% by dollar volume while the market aggregate originated 9.3% by number and 5.4% by dollar volume.

Performance in lending to moderate-income borrowers was excellent overall based on excellent performance in both 2018 and 2017. In 2018, Chemung originated 25.0% by number and 17.9% by dollar volume of its home purchase loans to moderate-income borrowers compared to 16.0% of families in the MSA that were of moderate-income. Chemung's performance was similar to the market aggregate, which made 27.7% by number and 20.8% by dollar volume of its home purchase loans to moderate-income borrowers in 2018. Chemung's 2017 performance was also excellent as Chemung originated 25.0% by number and 15.7% by dollar volume compared to the market aggregate's 21.7% by number and 15.6% by dollar volume.

Refinance Loans

Chemung's distribution of refinance loans to LMI borrowers in MSA 21300 was good based on good distribution to low-income borrowers and good distribution to moderate-income borrowers. In 2018, Chemung's distribution of refinance loans to low-income borrowers was good as 11.1% by number and 8.5% by dollar volume of refinance loans were made to low-income borrowers compared to 22.9% of all families in the MSA that were of low-income. Chemung's performance was above the market aggregate, which made 9.2% by number and 5.5% by dollar volume of its refinance loans to low-income borrowers. Chemung's 2017 refinance lending performance for low-income borrowers was excellent and exceeded 2018's performance as 23.8% by number and 14.0% by dollar volume were originated to low-income borrowers while the aggregate originated 7.6% by number and 4.0% by dollar volume.

Chemung's distribution of refinance loans to moderate-income borrowers was good overall based on adequate performance in 2018 and excellent performance in 2017. In 2018 Chemung originated 11.1% by number and 12.3% by dollar volume of refinance loans to moderate-income borrowers compared to 16.0% of all families in the MSA that were of moderate-income. Chemung's performance was below the market aggregate, which made 20.3% by number and 15.6% by dollar volume of its refinance loans to moderate-income borrowers. Chemung's 2017 refinance lending performance for moderate-income borrowers was excellent as 19.0% by number and 16.3% by dollar volume were to moderate-income borrowers while the market aggregate originated 15.8% by number and 11.5% by dollar volume.

Home Improvement Loans

Chemung’s overall distribution of home improvement loans to LMI borrowers was excellent based on 2017 performance to both low- and moderate-income borrowers. In 2018, reporting requirements were changed reducing the number of home improvement loans being reported and, as such, Chemung’s 2018 volume is insufficient to obtain meaningful conclusions. In 2017, Chemung made 26.1% by number and 17.2% by dollar volume of its home improvement loans to low-income borrowers, while 22.9% of the families in the MSA are low-income. Chemung’s performance was above the market aggregate, which made 13.5% by number and 6.2% by dollar volume of its home improvement loans to low-income borrowers.

Performance in lending to moderate-income borrowers was excellent in 2017 as 28.7% by number and 36.9% by dollar volume of Chemung’s home improvement loans were made to moderate-income borrowers, compared to 16.0% of families in the MSA that were of moderate-income. Chemung’s performance was above the market aggregate, which made 19.2% by number and 14.7% by dollar volume its home improvement loans to moderate-income borrowers.

Small Business Loans

Chemung’s overall level of lending to small businesses in MSA 21300 was adequate. In 2018, Chemung made 28.8% of its small business loans by number and 12.6% by dollar volume to businesses with gross annual revenues of \$1 million or less, compared to 87.3% of business establishments in the MSA with GAR of \$1 million or less. Performance was below the aggregate which made 38.0% of its loans to businesses with GAR of \$1 million or less. Chemung’s performance in 2017 was below 2018 performance as 24.6% by number and 10.7% by dollar volume of its small business loans were made to businesses with GAR of \$1 million or less. This was also below the aggregate which made 39.6% by number and 27.0% by dollar volume of its loans to businesses with GAR of \$1 million or less.

Of these loans to small businesses, 53.4% by number and 12.6% by dollar volume in 2018 and 38.5% by number and 7.8% by dollar volume in 2017 were in amounts of \$100,000 or less, which is considered the most impactful loan size to small businesses.

Community Development Lending

Chemung’s level of community development

lending was relatively high in MSA 21300 (Elmira, NY), with 31 loans totaling \$11.1 million, representing 49.0% of the bank’s total community development lending. On an annualized basis, community development loan performance declined from last examination by 17.6%.

Community development lending was responsive to community services which was identified as a community need, although the bank made little use of innovative lending practices.

Community Development Loans		
Purpose	#	\$(000s)
Affordable Housing	0	\$0
Economic Development	0	\$0
Community Services	31	\$11,091
Revitalize and Stabilize	0	\$0
Totals	31	\$11,091

Examples of community development lending included:

- A \$300,000 working capital line of credit to a nursing home that provides skilled nursing care to a largely LMI community. Funding is predominately through Medicaid.
- A \$500,000 line of credit to a non-profit organization that provides social service and community action programs for LMI individuals and families. The organization ensures people have food, clothing, shelter, medical services and community support services. The organization is located in a low-income census tract.
- A \$1.6 million line of credit to a non-profit corporation that provides services for the developmentally disabled. Programs educate, train, and provide community-like settings, which aid in the socialization process of developmentally disabled persons. The majority of individuals are LMI.
- Three loans totaling \$500,000 to a charter school that provides educational opportunities for grades 1 – 7 located in a low-income census tract. Proceeds of the loans are committed for upgrades to school facilities and gap financing.

INVESTMENT TEST

Chemung’s investment test performance was adequate. During the examination period, community development investments in MSA 21300 (Elmira, N.Y.) totaled \$773,000, or 8% of all community development investment activity. Qualified investments declined by 81.7% on an annualized basis compared to the last examination, as opportunities for investments in municipal securities were limited.

Community Development Investments		
Purpose	#	\$(000s)
Affordable Housing	0	0
Economic Development	0	0
Community Services	40	\$173
Revitalize and Stabilize	2	\$600
Totals	42	\$773

Within the MSA 21300 (Elmira, NY) assessment area, qualified investments by number and by dollar amount were targeted primarily to community service efforts. Qualified investments included two municipal bonds for infrastructure repairs in LMI areas of Chemung County. The bonds were issued for various improvement projects including sidewalk repairs and building renovations and repairs. Additionally, qualified investments included 40 grants and donations totaling \$173,000.

SERVICE TEST

Performance on the service test was excellent based on Chemung’s branch distribution and its leadership in providing community development services in the Elmira assessment area.

Retail Services

The bank’s delivery systems were accessible to all portions of the assessment area, including LMI areas. Overall, Chemung has seven branches in the assessment area, of which one, or 14.3% of branches, was located in an LMI area. In comparison, 22.6% of the MSA population resides in LMI areas. At the last

evaluation, three branches were in LMI areas. However, due to the 2015 ACS, two branches located in moderate-income tracts are now considered branches in reclassified middle-income census tracts.

Alternative delivery systems enhanced the availability and effectiveness of retail credit and non-credit services in LMI geographies and to LMI individuals. There were five off-site ATMs in the MSA, with one located in a moderate-income tract.

The bank's hours and services do not vary in a way that inconveniences the assessment area, including LMI areas. Extended hours are available at all branches, with all of the seven branches in the MSA open on Saturdays.

Community Development Services

Chemung is a leader in providing community development services in the MSA assessment area. The bank provided 27 events including first-time homebuyer seminars through local non-profit organizations, financial literacy presentations, and technical assistance events to LMI homebuyers and community organizations totaling over 225 hours.

Chemung employees also served on numerous boards and committees of community development organizations and provide financial management expertise and technical assistance to these organizations.

Twenty-four Chemung officers served as directors, advisors or committee members for 37 organizations throughout the bank's Elmira assessment area providing over 2,317 hours of community service activities to these organizations. Examples of the bank's efforts in providing such services include:

- Two of the bank's officers served as members of the board of directors of an organization that assists people with disabilities in obtaining their optimum occupational goals.
- One officer served as a member of the board of directors of a regional loan fund that provides financial and technical assistance for start-ups and expanding businesses located in Chemung, Schuyler, and Steuben Counties.
- One officer served as a member of the board of directors of an organization that plans, promotes, and implements economic development programs for Chemung County and the southern tier of New York State.

Three officers served as members of the Board of Directors and committee members of Habit for Humanity, a non-profit organization that is dedicated to providing affordable housing for LMI individuals and families in Chemung County.

NON-METROPOLITAN AREA

(FULL REVIEW)

Non-Metropolitan New York Assessment Area

DESCRIPTION OF INSTITUTION'S OPERATIONS

As of December 31, 2018, Chemung operates nine of its 32 New York State branches in the Non-Metropolitan New York assessment area and 25.3% of the bank's HMDA-related and small business loans in New York were originated in this assessment area. As of June 30, 2018, 26.6% of Chemung's total deposits in New York State were held in this assessment area. With a deposit market share of 10.3%, Chemung ranks fourth behind Key Bank National Association, Five Star Bank, and Community Bank National Association. For additional assessment area data, see Summary of Key Assessment Area Data - New York State.

PERFORMANCE CONTEXT

The following demographic and economic information was obtained from publicly available sources that include the U.S. Department of Commerce's Bureau of Census and the U.S. Department of Labor, and Dun and Bradstreet.

Demographic Characteristics

The Non-Metropolitan New York assessment area encompasses the entire counties of Cayuga, Cortland, Schuyler and Seneca and the eastern portion of Steuben County. These five contiguous counties are located mainly in the central and Finger Lakes regions of New York State. These counties are primarily rural with towns and villages scattered across the assessment area. According to the 2015 ACS, the Non-Metropolitan New York assessment area's population totals 242,489. The Non-Metropolitan New York assessment area contains 18.6% of the bank's New York State combined assessment area population. Based on 2015 ACS data, of the 65 census tracts included in the assessment area, one or 1.5% is low-income, four or 6.2% are moderate-income, 47 or 72.3% are middle-income, 12 or 18.5% are upper-income and one or 1.5% is of unknown-income. Within the Non-Metropolitan New York full scope assessment area, all five census tracts in Schuyler County meet the FFIEC definition of underserved middle-income census tracts for remote rural areas for 2017 and 2018.

Income Characteristics

The Non-Metropolitan New York assessment area has 59,873 families, of which 18.3% are considered low-income, 16.6% are moderate-income, and 8.8% have incomes below the poverty level. The FFIEC-

estimated median family incomes for the various counties in the Non-Metropolitan New York assessment area ranged from \$62,500 in 2017 to \$64,300 in 2018.

Housing Characteristics

The 2015 ACS showed that the Non-Metropolitan New York assessment area had 111,780 housing units, of which 59.9% are owner-occupied and 25.6% are rental units. Of the available owner-occupied units, 0.6% are located in low-income areas and 4.9% are located in moderate-income areas. In low-income census tracts 59.9% the housing units are rental units, 11.5% are vacant, and 28.6% are owner-occupied. In moderate-income census tracts, 57.2% of the housing units are either rental or vacant, and 42.8% are owner-occupied.

The 2015 ACS Census Reports show the median age of housing stock in the assessment area was 61 years old, with 43.4% of the stock built before 1950. Within the assessment area, the median age of housing stock was 61 years in both low- and moderate-income tracts, which indicates that there are opportunities to make home improvement loans.

According to the 2015 ACS, the median housing value in the Non-Metropolitan New York assessment area was \$105,419, with an affordability ratio of 47.8%.

Non-Metropolitan New York Assessment Area Housing Data			
Geography	Median Gross Rent	Median Housing Value	Affordability Ratio
Assessment Area	\$681	\$105,419	47.8
Cayuga County	\$673	\$113,600	45.9
Cortland County	\$684	\$108,200	45.8
Schuyler County	\$640	\$108,500	43.9
Seneca County	\$716	\$97,000	50.8
Steuben County	\$658	\$91,000	52.0
New York State	\$1,132	\$283,400	20.9

During the review period, the most affordable housing was in Steuben and Schuyler Counties, with an affordability ratio of 52.0% and 50.8% respectively. The median gross rent in the assessment area was \$681

per month. Median gross rents ranged from \$640 in Schuyler County to \$716 in Seneca County. Within the assessment area, 38.7% of all renters had rental costs that exceeded 30% of their incomes.

Labor, Employment and Economic Characteristics

According to the NYS Department of Labor, the Southern Tier has enjoyed private sector job growth from 2014 to 2019. Growth has centered on manufacturing for the transportation industry, agriculture, and retail call and distribution centers. During the examination period, average annual unemployment rates ranged from 5.8% in Steuben Counties to 4.5% in Cayuga County and 3.8% in Seneca County in 2018. With the exception of Seneca County, unemployment rates were higher than rate for New York State of 4.7% in 2017 and 4.1% in 2018.

According to Dun & Bradstreet data, the assessment area had 8,084 businesses in 2018, of which 89.0% were small businesses with GAR of \$1 million or less. Additional performance context data for this assessment area is provided in the Non-Metropolitan New York Assessment Area Demographics table.

Assessment Area Demographics								
Assessment Area: Non-Metropolitan New York – 2018								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	1	1.5	581	1.0	216	37.2	10,978	18.3
Moderate-income	4	6.2	3,777	6.3	648	17.2	9,930	16.6
Middle-income	47	72.3	42,541	71.1	3,824	9.0	13,044	21.8
Upper-income	12	18.5	12,974	21.7	589	4.5	25,921	43.3
Unknown-income	1	1.5	0	0.0	0	0.0	0	0.0
Total Assessment Area	65	100.0	59,873	100.0	5,277	8.8	59,873	100.0

	Housing	Housing Types by Tract						
	Units by	Owner-Occupied			Rental		Vacant	
	Tract	#	%	%	#	%	#	%
Low-income	1,449	414	0.6	28.6	868	59.9	167	11.5
Moderate-income	7,952	3,407	5.1	42.8	3,535	44.5	1,010	12.7
Middle-income	79,825	48,216	72.0	60.4	19,418	24.3	12,191	15.3
Upper-income	22,554	14,932	22.3	66.2	4,797	21.3	2,825	12.5
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	111,780	66,969	100.0	59.9	28,618	25.6	16,193	14.5
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	205	2.5	178	2.5	26	3.9	1	0.5
Moderate-income	554	6.9	473	6.6	71	10.6	10	4.5
Middle-income	5,499	68.0	4,914	68.3	420	62.8	165	74.7
Upper-income	1,826	22.6	1,629	22.6	152	22.7	45	20.4
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	8,084	100.0	7,194	100.0	669	100.0	221	100.0
	Percentage of Total Businesses:			89.0		8.3		2.7

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Chemung's performance relative to the lending test is rated high satisfactory. Lending levels reflected good responsiveness to community needs. The bank's performance with regard to the geographic distribution of loans reflected good penetration throughout the assessment area. The distribution of borrowers reflected good penetration among customers of different income levels and businesses of different sizes. In addition, the bank was a leader community development loans.

Lending Activity

Chemung's lending activity demonstrated good responsiveness to the retail credit needs of the Non-Metropolitan New York assessment area. Chemung originated 76 home purchase, 75 refinance, 96 home improvement, and 66 small business loans during the evaluation period in this assessment area. In 2018 Chemung ranked fourth in deposit market share (10.3% deposits market share), twenty-first in home purchase lending (1.4% market share), tenth in refinance lending (3.1% market share), twelfth in home improvement lending (2.8% market share), and tied for twentieth in small business lending (1.3% market share). Peer comparisons based on the number of loans per billion dollars of deposits indicate that the bank's performance was below with the lending volume of similarly situated banks.

Chemung's number of HMDA-related and small business loans decreased by 14.8% on an annualized basis compared to the previous examination period. Specifically, small business lending decreased by 1.0% and HMDA-related lending decreased by 17.9%. Home purchase lending increased by 28.1%, refinance lending decreased by 17.3% and home improvement lending decreased by 36.4%. The decrease in home improvement lending is due in part to changes in reporting requirement in 2018. The decline in refinance lending is due in part to higher or relatively unchanged mortgage rates as mortgages averaged 3.99% in 2017 and 4.54% in 2018 compared to the last evaluation when average mortgage rates were 4.17% in 2014, 3.85% in 2015, and 3.65% in 2016 according to Freddie Mac.

Geographic Distribution of Loans

The overall geographic distribution of HMDA-related and small business loans reflected good loan penetration across census tracts of different income levels in the Non-Metropolitan New York assessment area. The rating also considers an analysis of conspicuous gaps in lending which indicates that during the evaluation period. Chemung had excellent HMDA and small business loan penetration, originating loans in all but one census tract of unknown income within the assessment area in 2017 and 2018. However, lending opportunities are limited as the assessment area has only one low-income and four moderate-income census tracts. In 2018, low-income census tracts had less than 1% of owner-occupied housing units and 2.5% of all business establishments while moderate-income in the Non-Metropolitan New York assessment area had 5.1% of all owner-occupied housing units and 6.9% of all business establishments. The lack of lending opportunities in low-income geographies was further confirmed by the performance of the aggregate, which in 2018 made only 32 HMDA-related loans in low-income tracts.

Home Purchase Loans

Chemung's performance in LMI geographies was adequate in light of demographic and performance context challenges relating to housing affordability and the availability of owner-occupied housing in the LMI geographies of the assessment area. Therefore, consideration was given to the limited opportunities for HMDA lending in LMI geographies. In 2018, Chemung did not originate any home purchase loans in low-income geographies while less than 1% of all owner-occupied housing units were located in low-income geographies. Home purchase performance in low-income geographies was below the market aggregate, which made less than 1%, of its home purchase loans in low-income geographies. Total aggregate lending was only 17 loans, indicating limited lending opportunity in low-income census tracts. Chemung's 2017 home purchase lending performance in low-income geographies was comparable to its 2018 performance, as the bank also did not make any home purchase loans in low-income geographies.

Chemung's performance in moderate-income geographies was poor. In 2018, Chemung did not originate any of its home purchase loans in moderate-income geographies, while 5.1% of owner-occupied housing units in the assessment area were located in moderate-income geographies. Chemung's performance in moderate-income geographies was below the market aggregate, which made 6.3% by number and 4.4% by dollar volume in moderate-income geographies in 2018. Chemung's 2017 home purchase lending performance in moderate-income geographies was above its 2018 performance as Chemung made one home purchase loan or 2.6% by number and 1.6% by dollar volume in moderate-income geographies compared to 5.9% by number and 3.5% by dollar volume by the aggregate.

Refinance Loans

Chemung's performance in LMI geographies was adequate in light of demographic and performance context challenges relating to housing affordability and the availability of owner-occupied housing in the LMI geographies of the assessment area. Therefore, consideration was given to the limited opportunities for HMDA lending in LMI geographies. Chemung did not originate any refinance loans in low-income geographies, while less than 1% of all owner-occupied housing units were located in low-income geographies. Refinance performance in low-income geographies was below the market aggregate, which made only 6 loans or less than 1% of refinance loans in low-income geographies. Chemung, in 2017 did not originate any refinance loans in low-income geographies while the aggregate made five loans, or less than 1% of refinance loans in low-income geographies.

Chemung's performance in moderate-income geographies was also adequate as Chemung made two refinance loans or 5.3% by number and 5.2% by dollar volume in moderate-income geographies in 2018, while 5.1% of all owner-occupied housing units in the assessment area were located in moderate-income geographies. Chemung's performance in moderate-income geographies was similar to the market aggregate, which made 5.1% by number and 3.7% by dollar volume in moderate-income geographies in 2018. Chemung's 2017 refinance lending performance in moderate-income geographies was comparable to its 2018 performance, as the bank originated two loans or 5.4% by number and 3.4% of its refinance loans in moderate-income geographies, which was similar to both the demographic and the aggregate.

Home Improvement Loans

Chemung's performance in LMI geographies was excellent despite the demographic and performance context challenges relating to housing affordability and the availability of owner-occupied housing in the LMI geographies of the assessment area. Consideration was given to the limited opportunities for HMDA lending in LMI geographies. Additionally, in 2018 reporting requirements were changed reducing the number of home improvement loans being reported. As a result, Chemung's 2018 home improvement volume is insufficient to obtain meaningful conclusions.

In 2017, Chemung's performance was excellent in low-income geographies as it made one, or 1.2% by number and 1.4% by dollar, of improvement loans in low-income census tracts, while less than 1% of all owner-occupied housing units were located in low-income geographies. In comparison, the market aggregate made only four or less than 1% of home improvement loans in low-income geographies.

Chemung's 2017 performance in moderate-income geographies was excellent. Chemung made 7.1% by number and 10.0% by dollar volume of its home improvement loans in moderate-income geographies, while 5.1% of owner-occupied housing units in the assessment area were located in moderate-income geographies. Chemung's performance in moderate-income geographies was above the market aggregate, which made 5.4% by number and 4.2% by dollar volume of its home improvement loans in moderate-income geographies.

Small Business Loans

Small business lending performance in LMI geographies was good. Chemung made 8.3% by number and 20.2% by dollar volume of its small business loans in low-income geographies in 2018, while 2.5% of business establishments were located in low-income census tracts. Chemung's performance was above the market aggregate, which originated 2.5% by number and 10.9% by dollar volume or 71 of its small business loans in low-income geographies. Chemung's performance in 2017 was excellent as Chemung made 13.3% by number and 20.3% by dollar while the aggregate made 2.9% by number and 5.4% by dollar volume of small business loans in low-income geographies. In 2017, 2.4% of business establishments were in low-income geographies.

Chemung made 5.6% by number and 11.5% by dollar volume of its small business loans in moderate-income geographies in 2018, while 5.1% of business establishments were located in moderate-income census tracts. Chemung's performance was similar to the market aggregate by number and above market aggregate by dollar volume, which originated 6.1% by number and 4.9% by dollar volume of its business loans in moderate-income geographies. Chemung's performance in 2017 was excellent as Chemung made 10.0% by number and 11.3% by dollar volume of its small business loans in moderate-income geographies. In 2017, 6.2% of business establishments were in moderate-income geographies. Performance was above market aggregate, which made 6.8% by number and 8.9% by dollar volume of its business loans in moderate-income geographies.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

Lending performance in the assessment area relating to borrower distribution was good overall, and reflected good penetration among individuals of all income levels (including LMI) and adequate penetration of businesses of different sizes. In reaching conclusions about performance, consideration was given to

performance context factors, such as the high cost of housing for LMI persons. As noted in the performance context section, the median housing value for the Non-Metropolitan New York assessment area in 2018 is estimated to be about four times the income of low-income borrowers. Therefore, more weight was placed on lending activity to moderate-income borrowers.

Home Purchase Loans

Chemung's overall distribution of home purchase loans to LMI borrowers in the Non-Metropolitan New York assessment area was good based on the excellent distribution to moderate-income borrowers, but poor distribution to low-income borrowers.

In 2018, Chemung did not make any home purchase loans to low-income borrowers while 18.3% of the families in the MSA are low-income. Chemung's performance was below the market aggregate, which made 6.2% by number and 3.3% by dollar volume of its home purchase loans to low-income borrowers. Chemung's 2017 home purchase lending performance for low-income borrowers was also poor as Chemung originated one home purchase loan (2.6% by number and 1.0% by dollar volume) to low-income borrowers. In comparison, the market aggregate originated 5.8% by number and 2.8% by dollar volume to low-income borrowers.

Performance in lending to moderate-income borrowers was excellent, as 21.6% by number and 15.4% by dollar volume of Chemung's 2018 home purchase loans were made to moderate-income borrowers compared to 16.6% of families in the assessment area that were of moderate-income. Chemung's performance was similar to the market aggregate, which also made 21.6% by number and 15.8% by dollar volume of its home purchase loans to moderate-income borrowers in 2018. Chemung's 2017 home purchase lending performance for moderate-income borrowers was also excellent as 17.9% by number and 11.8% by dollar volume were to moderate-income borrowers compared to the market aggregate 19.3% by number and 11.7% by dollar volume.

Refinance Loans

Chemung's overall distribution of refinance loans to LMI borrowers in the Non-Metropolitan New York assessment area was adequate based on adequate distribution to low-income borrowers and adequate distribution to moderate-income borrowers. Chemung's distribution of 2018 refinance loans to low-income borrowers was adequate, as 7.9% by number and 2.9% by dollar volume of refinance, loans in 2018 were made to low-income borrowers compared to 18.3% of all families in the MSA that were of low-income. Chemung's performance was below the market aggregate which made 9.1% by number and 5.4% by dollar volume its refinance loans to low-income borrowers. Chemung's 2017 refinance lending performance to low-income borrowers exceeded 2018's performance as 10.8% by number and 7.1% by dollar volume were made to low-income borrowers. Performance in 2017 was above the market aggregate 6.8% by number and 3.6% by dollar volume.

Chemung's distribution of refinance loans to moderate-income borrowers was adequate overall based on good performance in 2018, as 15.8% by number and 11.3% by dollar volume of refinance loans were made to moderate-income borrowers compared to 16.6% of all families in the MSA that were of moderate-income. Chemung's performance was below the market aggregate, which made 19.6% by number and 15.3% by dollar volume of its refinance loans to moderate-income borrowers. Chemung's 2017 refinance

lending to moderate-income borrowers performance was below 2018 performance as 10.8% by number and 7.9% by dollar volume of refinance loans were to moderate-income borrowers. Performance in 2017 was below the market aggregate's 16.2% by number and 12.3% by dollar volume.

Home Improvement Loans

Chemung's overall distribution of home improvement loans to LMI borrowers in the Non-Metropolitan New York assessment area was excellent based on 2017 performance. In 2018, reporting requirements were changed, substantially reducing the number of home improvement loans being reported. As a result, 2018 home improvement volume is insufficient to analyze. In the Non-Metropolitan New York assessment area, Chemung's performance was excellent based on good performance to low-income borrowers and excellent performance to moderate-income borrowers. In 2017, Chemung made 17.9% by number and 15.3% by dollar volume of its home improvement loans to low-income borrowers, while 18.3% of the families in the MSA are low-income. Chemung's performance was above the market aggregate, which made 12.9% by number and 5.4% by dollar volume of its home improvement loans to low-income borrowers

Performance in lending to moderate-income borrowers was excellent as 26.2% by number and 24.5% by dollar volume of Chemung's home improvement loans were made to moderate-income borrowers, compared to 16.6% of families in the MSA that were of moderate-income. Chemung's performance was above the market aggregate, which made 23.0% by number and 15.2% by dollar volume of its home improvement loans to moderate-income borrowers in 2017.

Small Business Loans

The overall level of lending to small businesses in the Non-Metropolitan New York assessment area was adequate. During 2018, Chemung made 55.6% by number and 25.9% by dollar volume of its small business loans to businesses with GAR of \$1 million or less, compared to 89.0% of business establishments in the assessment area with GAR of \$1 million or less. Performance was above the market aggregate, which made 47.6% by number and of its loans to businesses with GAR of \$1 million or less. Chemung's performance in 2017 exceeded 2018 performance as, as 73.3% by number and 55.8% by dollar volume of its small business loans were made to businesses with GAR of \$1 million or less. Performance in 2017 also exceeded the market, which made 52.3% by number and 41.9% by dollar volume to businesses with GAR of \$1 million or less.

During 2018, 66.7% of Chemung's loans were in amounts of \$100,000 or less, which is considered the most impactful loan size to small businesses. In 2017, 56.7% were in amounts of \$100,000 or less. The market aggregate made 90.7% of its small business loans in 2018 and 91.4% of its small business loans in 2017 in amounts of \$100,000 or less.

Community Development Lending

Chemung was a leader in community development lending in the Non-Metropolitan New York assessment with 16 loans totaling \$6.8 million, or 30.0% of the bank’s total community development lending. In comparison to the last examination community development lending increased 126.6% on an annualized basis.

Community development lending was responsive to identified community needs. Lending targeted community development services.

Community Development Loans		
Purpose	#	\$(000s)
Affordable Housing	1	\$600
Economic Development	0	\$0
Community Services	15	\$6,199
Revitalize and Stabilize	0	\$0
Totals	16	\$6,799

Examples of community development lending included:

- A \$600,000 line of credit to a non-profit organization to replace 12 units of manufactured housing in Chemung, Steuben, and Schuyler Counties. The organization administers housing programs and is dedicated to assisting LMI persons and municipalities with housing needs throughout the Southern Tier of New York. The non-profit provides direct home repair assistance in partnership with national, regional and local governments and organizations.
- A \$500,000 line of credit to an organization that provides services to people with disabilities and their families. Programs include various day, residential, and support services. Funding is primarily through Medicaid and the NYS Office for People with Developmental Disabilities.
- A \$1,000,000 line of credit to a hospital that primarily serves the residents of Schuyler County, a designated underserved area. The line of credit helped maintain essential services in the county. The hospital is also a major employer in Schuyler County.
- A \$350,000 line of credit to a non-profit organization that provides community services assistance and information for the disabled in Steuben County, who are primarily LMI.

INVESTMENT TEST

Chemung’s investment test performance in the Non-Metropolitan New York assessment area was adequate. Chemung made an adequate level of qualified community development investments and grants that exhibited adequate responsiveness to credit and community development needs.

Qualified investments totaled \$1.4 million, or 14.1% of Chemung’s total qualified investment activity. Substantially all of Chemung’s qualified investments in the Non-Metropolitan New York assessment area were new investments made since

Community Development Investments		
Purpose	#	\$(000s)
Affordable Housing	0	\$0
Economic Development	0	\$0
Community Services	33	\$1,351
Revitalize and Stabilize	0	\$0
Totals	33	\$1,351

the prior CRA examination. However, qualified investments declined 70.0% on an annualized basis in comparison to the last evaluation. Qualified investments in the assessment area included:

- Two investments totaling \$1.0 million to purchase municipal bonds for the reconstruction of school buildings and facilities in a school district where the majority of students receive free or reduced rate lunches.
- A \$186,700 investment in a municipal bond for equipment purchases that will assist in revitalizing a moderate-income census tract of Steuben County.
- Thirty charitable grants and contributions to community groups serving LMI persons totaling \$119,300.

SERVICE TEST

Performance on the service test in the Non-Metropolitan New York assessment area was good as Chemung's branch distribution was accessible to all portions of the assessment area and the bank was a leader in providing community development services.

Retail Services

The bank's delivery systems were readily accessible to all portions of the assessment area, including LMI areas. Overall, Chemung has nine branches in the assessment area, one (11.1%) of which was located in moderate-income census tract. In comparison, 8.6% of the population resides in these tracts. Additionally, the two branches in Schuyler County are in underserved middle-income census tracts.

Alternative delivery systems somewhat enhanced the availability and effectiveness of retail credit and non-credit services in LMI geographies and to LMI individuals. There was two off-site ATMs in the Non-Metropolitan New York assessment area, with one located in an underserved middle-income census tract in Schuyler County.

The bank's hours and services do not vary in a way that inconveniences the assessment area, including LMI areas. Extended hours are available at all branches, with six of the nine branches in the Non-Metropolitan New York assessment area open on Saturdays.

Community Development Services

Chemung provided a relatively high level of community development services in the Non-Metropolitan New York assessment area. The bank provided financial education instruction on seven occasions at local schools and non-profit organizations. One employee conducted a first-time homebuyer's seminar through a non-profit organization that provides community services to LMI individuals and on seven occasions, bank employees provided their financial expertise in community service events for local non-profit organizations.

In addition to the services noted above, Chemung employees also served on numerous boards and committees of community development organizations and provided financial management expertise and technical assistance to these organizations. Fifteen Chemung officers served as directors, advisors or

committee members for 25 organizations throughout the Non-Metropolitan New York assessment area. Examples of the bank's efforts in providing such services include:

- One officer served as Treasurer of the board of directors for a community based not-for-profit organization that helps LMI people with disabilities lead independent lives.
- An officer served as a board member and on the finance committee for an organization that stabilizes families in economic crisis, reduces the prevalence of substance abuse and its negative consequences for the population, and operates programs that enable people to improve their lives and communities through partnerships that deliver education programs, conduct applied research, and encourage community collaborations.
- One officer is vice chairman of the board of directors of a development corporation that grants applications for capital improvements and revitalization in Schuyler County.

METROPOLITAN AREA

(FULL REVIEW)

MSA 13780 (Binghamton, NY)

DESCRIPTION OF INSTITUTION'S OPERATIONS

As of December 31, 2018, Chemung operates six of its 32 New York State branches in MSA 13780 Binghamton, NY and 13.5% of the bank's HMDA-related and small business loans were originated in this assessment area. As of June 30, 2018, 13.5% of Chemung's deposits were held in this assessment area. With a deposit market share of 4.9%, Chemung ranks sixth behind M&T Bank, NBT National Association, Tioga State Bank, Key Bank, National Association and Citizens Bank National Association. For additional assessment area data, see Summary of Key Assessment Area Data - New York State.

PERFORMANCE CONTEXT

The following demographic and economic information was obtained from publicly available sources that include the U.S. Department of Commerce's Bureau of Census, the U.S. Department of Labor, and Dun & Bradstreet.

Demographic Characteristics

Chemung's assessment area in the MSA 13780 (Binghamton, NY) assessment area consists of Tioga County in its entirety and portions of Broome County, including the City of Binghamton. The assessment area is located within the Southern Tier of New York State. According to the 2015 ACS, the assessment area's population totals 180,411 or 13.9% of the bank's New York State combined assessment area population. Based on 2015 ACS data, of the 48 census tracts included in the assessment area seven or 14.6%, are low-income, ten or 20.8% are moderate-income, 19 or 39.6% are middle-income, and 12 or 25.0% are upper-income.

Income Characteristics

The MSA 13780 (Binghamton, NY) assessment area has 42,499 families, of which 23.1% are considered low-income, 16.4% are moderate-income, and 10.8% have incomes below the poverty level. The FFIEC-estimated median family incomes for the MSA were \$65,700 in 2017 and \$66,900 in 2018.

Housing Characteristics

The 2015 ACS showed that the MSA 13780 (Binghamton, NY) assessment area had 82,626 housing units, of which 55.7% are owner-occupied and 32.3% are rental units. Of the available owner-occupied units, 17.6% are located in LMI areas. In low-income census tracts 55.7% the housing units are rental units,

22.4% are vacant, and 21.9% are owner-occupied. In moderate-income census tracts 61.4% of the housing units are either rental or vacant and 38.5% are owner-occupied.

According to the 2015 ACS, the median age of housing stock in the assessment area was 61 years old, with 43.2% of the stock built before 1950. Within the assessment area, the median age of housing stock was 61 years in both low- and moderate-income tracts, which indicates that there are opportunities to make home improvement loans.

According to the 2015 ACS, the median housing value in that the MSA 13780 (Binghamton, NY) assessment area was \$109,412, with an affordability ratio of 42.2. The median gross rent in the assessment area was \$699 per month. Within the assessment area, 50.4% of all renters had rental costs that exceeded 30% of their incomes.

Labor, Employment and Economic Characteristics

According to the NYS Department of Labor, the Southern Tier has enjoyed private sector job growth from 2014 to 2019. Growth has centered on manufacturing for the transportation industry, agriculture, and retail call and distribution centers. During the evaluation period, annual unemployment rates were 5.5% in 2017 and 4.8% in 2018. Unemployment rates were higher than the rates for New York State of 4.7% in 2017 and 4.1% in 2018.

According to Dun & Bradstreet data, the assessment area had 6,190 businesses in 2018, of which 89.7% were small businesses with GAR of \$1 million or less. Additional performance context data for this assessment area is provided in the subsequent MSA 13780 (Binghamton, NY) Assessment Area Demographics table.

Assessment Area Demographics								
Assessment Area: MSA 13780 (Binghamton, NY) - 2018								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	7	14.6	3,040	7.2	1,105	36.3	9,799	23.1
Moderate-income	10	20.8	6,860	16.1	1,565	22.8	6,984	16.4
Middle-income	19	39.6	19,223	45.2	1,577	8.2	8,822	20.8
Upper-income	12	25.0	13,376	31.5	349	2.6	16,894	39.8

Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	48	100.0	42,499	100.0	4,596	10.8	42,499	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	8,192	1,792	3.9	21.9	4,562	55.7	1,838	22.4
Moderate-income	16,318	6,289	13.7	38.5	7,802	47.8	2,227	13.6
Middle-income	36,816	22,188	48.2	60.3	10,334	28.1	4,294	11.7
Upper-income	21,300	15,741	34.2	73.9	4,003	18.8	1,556	7.3
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	82,626	46,010	100.0	55.7	26,701	32.3	9,915	12.0
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	780	12.6	681	12.3	90	15.8	9	12.9
Moderate-income	979	15.8	865	15.6	108	18.9	6	8.6
Middle-income	3,016	48.7	2,678	48.3	295	51.8	43	61.4
Upper-income	1,415	22.9	1,326	23.9	77	13.5	12	17.1
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	6,190	100.0	5,550	100.0	570	100.0	70	100.0
Percentage of Total Businesses:				89.7		9.2		1.1

Based on 2018 FFIEC Census Data and 2018 Dun and Bradstreet data

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Chemung's performance relative to the lending test is rated low satisfactory. Lending levels reflected good responsiveness to community needs. The bank's performance with regard to the geographic distribution of loans reflected adequate penetration throughout the assessment area. The distribution of borrowers reflected good penetration among customers of different income levels and businesses of different sizes. The bank made an adequate level of community development loans.

Lending Activity

Chemung's lending activity demonstrated adequate responsiveness to the retail credit needs of the MSA 13780 (Binghamton, NY). Chemung originated 33 home purchase, 47 refinance, 39 home improvement, and 37 small business loans during the evaluation period in this assessment area. In 2018 Chemung ranked sixth in deposit market share throughout the evaluation period while nineteenth in home purchase lending (1.2% market share), eighth in refinance lending (2.4% market share), ninth in home improvement lending (1.1% market share), and seventeenth in small business lending (0.8% market share). Lending market shares were generally lower due to the institution's more limited presence in the assessment area. Comparisons based on the number of loans per billion dollars of deposits in 2018 indicate that the bank's performance was comparable to the lending volume of peer banks.

Chemung's cumulative number of HMDA-related and small business loans decreased by 32.5% on an annualized basis compared to the previous examination period. Specifically, while small business lending increased by 28.1%, HMDA-related lending decreased by 40.3%. Home purchase lending increased by 61.0%, refinance lending, however, decreased by 19.5% and home improvement lending decreased by 67.1%. The decrease in home improvement lending is due in part to changes in reporting requirements in 2018.

Geographic Distribution of Loans

The overall geographic distribution of HMDA-related and small business loans reflected adequate loan penetration across census tracts of different income levels in the MSA 13780 (Binghamton, NY) assessment area. HMDA-related lending performance was adequate while small business lending performance was poor. Opportunities to make HMDA-related loans in low- and moderate-income census tracts were limited as 55.7% of all owner-occupied housing units in low-income census and 47.8% in moderate-income census tracts were rental properties. Additionally, 36.3% of the families residing in low-income census tracts have incomes below the poverty level, further limiting lending opportunities.

During the evaluation period Chemung's penetration in census tracts of different income levels was adequate as it originated loans in 58.3% of all census tracts in 2018 and 56.3% in 2017. Penetration in low-income tracts was considered adequate in both 2017 and 2018 given performance context factors. Opportunities for HMDA-related lending in low-income census tracts were limited. According to the 2015 ACS, 3.9% of the total owner-occupied housing units in the assessment area were located in low-income tracts. Of the total housing in low-income tracts, 21.9% were owner-occupied and 55.7% were rental units. Approximately 23.1% of families resided in low-income tracts and the poverty rate for low-income tracts

was 36.3%. According to D&B data, 12.6% of business establishments were located in low-income census tracts.

Penetration was adequate in moderate-income census tracts given performance context factors. In 2017, 30.0% of all moderate-income census tracts had HMDA or small business lending while in 2018 40% of all moderate-income tracts had HMDA or small business lending. Data from the 2015 ACS indicated that 13.7% of the total owner-occupied housing units in the assessment area were located in moderate-income tracts. Within moderate-income tracts, 38.5% of the housing units were owner-occupied and 47.8% were rental units. Approximately 16.4% of all families in the assessment area resided in moderate-income tracts and the poverty rate in moderate-income tracts was 22.8%. According to D&B data, 15.8% of business establishments were located in moderate-income census tracts.

Home Purchase Loans

Chemung's home purchase lending distribution in MSA 13780 was considered adequate in light of demographic and performance context challenges relating to housing affordability and the availability of owner-occupied housing in low-income geographies in the assessment area. In 2018, Chemung made two home purchase loans in low-income geographies (9.1% by number and 5.3% by dollar volume) and did not make any home purchase loans in low-income geographies in 2017. In comparison, 3.9% of all owner-occupied housing units in the assessment area were located in low-income geographies for both 2017 and 2018. Performance exceeded the aggregate in 2018, which made 3.6% by number and 1.8% by dollar volume but was below the aggregate's 2.5% (42 loans) by number and 1.9% by dollar volume in 2017.

Chemung's home purchase lending performance in moderate-income geographies was adequate. Chemung originated 9.1% by number and 9.6% by dollar volume of its home purchase loans in moderate-income geographies in 2018, compared to 13.7% of owner-occupied housing units located in moderate-income geographies in the MSA. Chemung's performance in moderate-income geographies was below the market aggregate by number but above by dollar volume, which made 12.8% by number and 9.1% by dollar volume of its home purchase loans in moderate-income geographies in 2018. Home purchase lending performance in moderate-income geographies in 2017 was poor, as the bank did not originate any of its home purchase loans in moderate-income geographies. The market aggregate however, originated 13.8% by number and 9.3% by number by dollar volume.

Refinance Loans

Chemung's overall refinance lending performance in the LMI geographies of MSA 13780 was adequate. Chemung's refinance lending in low-income geographies was good when considering performance context factors that make HMDA-related lending challenging in low-income geographies. Of all families in low-income geographies, 36.3% have incomes below the poverty level, indicating limited lending opportunities. Chemung originated two (10.5% by number and 10.4% by dollar volume) of its refinance loans in low-income geographies in 2018 compared to 3.9% of owner-occupied housing units located in low-income geographies in this MSA. Performance was above the market aggregate, which originated 18 or 2.3% by number and 1.3% by dollar in 2018. Performance in 2017 was also good as Chemung originated one refinance loan (3.6% by number and 2.5% by dollar volume in low-income geographies. Performance in 2017 was also above the market aggregate which made 19 refinance loans (3.0% by number and 2.0% by dollar volume in low-income geographies.

Chemung's refinance lending performance in moderate-income geographies was poor. Chemung originated 5.3% by number and 3.6% by dollar volume its refinance loans in moderate-income geographies in 2018 compared to 13.7% of owner-occupied housing units located in moderate-income geographies in this MSA. Chemung's performance was below the market aggregate, which originated 10.5% by number and 8.4% by dollar volume of its refinance loans in moderate-income census tracts. Chemung's 2017 performance was also poor as Chemung originated 7.1% by number and 6.4% by dollar volume of its refinance loans in moderate-income geographies while the aggregate made 13.1% by number and 8.7% by dollar volume.

Home Improvement Loans

Chemung's overall home improvement lending performance in the LMI geographies of MSA 13780 was poor based on performance in 2017. In 2018, reporting requirements were changed reducing the number of home improvement loans being reported. Chemung's 2018 volume is insufficient to obtain meaningful conclusions. Home improvement lending in low-income geographies in 2017 was poor, as Chemung did not originate any home improvement loans in low-income geographies, while 3.9% of owner-occupied housing units are in low-income census tracts. Chemung's performance was below the market aggregate which made nine loans (2.2% by number and 1.0% by dollar volume) in low-income geographies in 2017.

Chemung's home improvement lending performance in moderate-income census tracts was poor. Chemung did not originate any home improvement loans in moderate-income census geographies in 2017, compared to 13.7% of owner-occupied housing units located in moderate-income census tracts in this MSA. Chemung's performance was below the market aggregate, which originated 12.8% by number and 10.0% by dollar of its home improvement loans in moderate-income census geographies.

Small Business Loans

Overall, Chemung's small business lending performance in MSA 13780 in LMI geographies was poor based on adequate performance in low-income geographies and poor performance in moderate-income geographies. In 2018, Chemung made 10.5% by number and 3.4% by dollar volume of its small business loans in low-income geographies while in 2017 it did not make any small business loans in low-income geographies. In comparison, 12.6% of business establishments were in low-income geographies in 2018 and 12.3% in 2017. Chemung's performance was below the market aggregate in 2018, which made 11.8% by number, and 15.9% by dollar volume in low-income geographies, while in 2017 the market aggregate made 10.8% by number and 13.4% by dollar volume of its small business loans in low-income geographies.

Chemung's small business performance in moderate-income geographies 2017 and 2018 was poor. In 2018, Chemung originated 5.3% by number and 25.7% by dollar volume of its small business loans in moderate-income geographies while 15.8% of business establishments were in moderate-income geographies. Performance in 2018 was below the market aggregate, which originated 15.4% by number and 20.7% by dollar volume in moderate-income geographies. Performance in 2017 was also poor as Chemung originated 5.6% of its small business loans by number and 19.3% by dollar volume in moderate-income geographies compared to 16.2% of business establishments. The market aggregate reported 17.7% by number and 20.6% by dollar volume of its small business loans in moderate-income geographies.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

Lending performance in the assessment area relating to borrower distribution was good overall, and reflected good penetration among individuals of all income levels (including LMI) and adequate penetration of businesses of different sizes. In reaching conclusions about performance, consideration was given to performance context factors, such as the high cost of housing for LMI persons. As noted in the performance context section, the median housing value for the MSA 13780 (Binghamton, NY) in 2018 is estimated to be about four times the income of the income of low-income borrowers.

Home Purchase Loans

Chemung's overall distribution of home purchase loans to LMI borrowers in the MSA 13780 (Binghamton, NY) assessment area was adequate based on poor distribution to low-income borrowers and adequate distribution to moderate-income borrowers. In 2018, Chemung did not make any home purchase loans to low-income borrowers while 23.1% of the families in the MSA are low-income. Chemung's performance was below the market aggregate, which made 9.9% by number and 5.9% by dollar volume of its home purchase loans to low-income borrowers. Chemung's 2017 home purchase lending performance for low-income borrowers was adequate as Chemung originated one home purchase loan (9.1% by number and 4.9% by dollar volume) to low-income borrowers. In comparison, the market aggregate originated 8.7% by number and 5.1% by dollar volume to low-income borrowers.

Performance in lending to moderate-income borrowers was adequate in 2018, as 9.1% by number and 6.3% by dollar volume of Chemung's home purchase loans were made to moderate-income borrowers compared to 16.4% of families in the assessment area that were of moderate-income. Chemung's performance was below to the market aggregate, which made 25.8% by number and 19.6% by dollar volume of its home purchase loans to moderate-income borrowers in 2018. Chemung's 2017 home purchase lending performance for moderate-income borrowers was excellent as 36.4% by number and 16.2% by dollar volume were to moderate-income borrowers compared to the market aggregate of 21.0% by number and 16.7% by dollar volume.

Refinance Loans

Chemung's overall distribution of refinance loans to LMI borrowers in the MSA 13780 (Binghamton, NY) assessment area was good based on good distribution to low-income borrowers and good distribution to moderate-income borrowers. Chemung's distribution of refinance loans to low-income borrowers was excellent in 2018, as 26.3% by number and 19.4% by dollar volume of refinance loans in 2018 were made to low-income borrowers compared to 23.1% of all families in the MSA that were of low-income. Chemung's performance was above the market aggregate, which made 12.4% by number and 7.4% by dollar volume of its refinance loans to low-income borrowers. Chemung's 2017 refinance lending performance to low-income borrowers was below 2018 performance as 17.9% by number and 12.4% by dollar volume were made to low-income borrowers. Performance in 2017 was above the market aggregate performance of 9.9% by number and 5.8% by dollar volume.

Chemung's distribution of refinance loans to moderate-income borrowers in 2018 was adequate, as 10.5% by number and 8.0% by dollar volume of refinance, loans were made to moderate-income borrowers compared to 16.4% of all families in the MSA that were of moderate-income. Chemung's performance

was below the market aggregate, which made 19.4% by number and 14.9% by dollar volume of its refinance loans to moderate-income borrowers. Chemung's 2017 refinance lending to moderate-income borrowers exceeded 2018 performance as 17.9% by number and 16.1% by dollar volume of refinance loans were made to moderate-income borrowers. Performance in 2017 was below the market aggregate's 21.9% by number and 16.7% by dollar volume.

Home Improvement Loans

Chemung's overall distribution of home improvement loans to LMI borrowers in the MSA 13780 (Binghamton, NY) assessment area was excellent based on 2017 performance. In 2018, reporting requirements were changed substantially reducing the number of home improvement loans reported. Home improvement volume in 2018 is insufficient to analyze.

In MSA 13870 (Binghamton, NY) Chemung's performance was excellent based on good performance to low-income borrowers and excellent performance to moderate-income borrowers. In 2017, Chemung made 19.4% by number and 8.6% by dollar volume of its home improvement loans to low-income borrowers, while 23.1% of the families in the MSA are low-income. Chemung's performance was above the market aggregate, which made 15.3% by number and 6.5% by dollar volume of its home improvement loans to low-income borrowers

Performance in lending to moderate-income borrowers was excellent as 25.0% by number and 14.3% by dollar volume of Chemung's home improvement loans were made to moderate-income borrowers, compared to 16.4% of families in the MSA that were of moderate-income. Chemung's performance was below the market aggregate, which made 27.6% by number and 16.9% by dollar volume of its home improvement loans to moderate-income borrowers in 2017.

Small Business Loans

The overall level of lending to small businesses in the MSA 13780 (Binghamton, NY) assessment area was adequate. During 2018, Chemung made 63.2% by number and 20.8% by dollar volume of its small business loans to businesses with GAR of \$1 million or less, compared to 89.7% of business establishments in the assessment area with GAR of \$1 million or less. Performance was above the market aggregate, which made 42.0% by number and 29.2% by dollar volume of its loans to businesses with GAR of \$1 million or less. Chemung's performance in 2017 was below 2018 performance as 44.4% by number and 15.8% by dollar volume of its small business loans were made to businesses with GAR of \$1 million or less. Performance in 2017 was below the market which made 45.2% by number and 30.6% by dollar volume to businesses with GAR of \$1 million or less.

During 2018, 63.2% of Chemung's loans were in amounts of \$100,000 or less. Amounts of \$100,000 or less which is considered the most impactful loan size to small businesses. In 2017, Chemung made 38.9% of small business loans in amounts of \$100,000 or less. The aggregate made 93.8% of its loans in 2018 and 93.4% of its loans in 2017 in amounts of \$100,000 or less.

Community Development Lending

Chemung’s level of community development lending in MSA 13780 (Binghamton, NY) was adequate, with five loans totaling \$1.9 million, or 8.3% of the bank’s total community development lending. In comparison to the last evaluation community development lending decreased 12.4% on an annualized basis.

Community development lending was responsive to identified community needs. Lending targeted community development services.

Examples of community development lending included:

Community Development Loans		
Purpose	#	\$(000s)
Affordable Housing	0	\$0
Economic Development	0	\$0
Community Services	5	\$1,883
Revitalize and Stabilize	0	\$0
Totals	5	\$1,883

- A \$500,000 line of credit to an organization that provides family health and housing services to low- and moderate-income individuals and families.
- A \$660,000 line of credit to a non-profit organization to refinance the building housing the organization. The organization purchases rental housing for the elderly and persons of low income, as well as provides services to the community, which is predominantly LMI.
- A \$125,000 term loan to a non-profit organization that provides support for victims of domestic violence. The majority of the individuals served are LMI.

INVESTMENT TEST

Chemung’s investment test performance in MSA 13780 (Binghamton, NY) assessment area was poor. Chemung did not make any equity investments in this AA during the review period. Chemung made a total of 13 grants / donations totaling \$24,000 that support community service activity during the evaluation period. Investments and grants at the previous evaluation totaled \$379 thousand when the assessment area was evaluated under limited scope procedures.

SERVICE TEST

Performance in the service test in MSA 10380 (Binghamton, NY) was adequate as Chemung’s branch distribution was accessible to all portions of the assessment area and the bank provided a relatively high level of community development services.

Retail Services

The bank’s delivery systems were reasonably accessible to all portions of the assessment area, including LMI areas. Overall, Chemung had six branches in the assessment area, none of which were located in LMI areas. In comparison, 26.4% of the MSA population resides in LMI areas. At the last evaluation, one of the six branches was located in a low-income census tract. However due to the 2015 ACS, the branch

location was reclassified as a middle-income census tract. The branch is still considered reasonably accessible as the tract is adjacent to low-income tracts and has a 46.5% poverty rate.

Alternative delivery systems did not enhance the availability and effectiveness of retail credit and non-credit services in LMI geographies and to LMI individuals. There were no off-site ATMs in the MSA.

The bank's hours and services do not vary in a way that inconveniences the assessment area, including LMI areas. Extended or Saturday hours are available at five of the six branches.

Community Development Services

Chemung provided an adequate level of community development services in the MSA 13780 (Binghamton, NY) assessment area. Five Chemung officers served as directors, advisors or committee members for ten organizations throughout the bank's Binghamton's assessment area providing 1,088 hours of community service.

Examples of the bank's efforts in providing such services include:

- One officer served on the board of directors and was Treasurer of a local women's shelter which serves majority LMI individuals.
- One officer served on the investment committee and board of directors of a local junior college where the majority of students were low- or moderate-income.
- One officer served on the board of directors of local economic development agency which makes loans to small businesses.

METROPOLITAN AREA

(FULL REVIEW)

MSA 27060 (Ithaca, NY)

DESCRIPTION OF INSTITUTION'S OPERATIONS

As of December 31, 2018, Chemung operates three of its 32 New York State branches in MSA 27060 (Ithaca, NY) and 5.3% of the bank's HMDA-related and small business loans were originated in this assessment area. As of June 30, 2018, 6.9% of Chemung's deposits were held in this assessment area. With a deposit market share of 4.7%, Chemung ranks fourth behind Tompkins Trust Co., M&T Bank, and the First National Bank of Groton. Other competitor banks include Elmira Savings Bank, Key Bank National Association, Tioga State Bank, and Community Bank National Association. For additional assessment area data, see Summary of Key Assessment Area Data - New York State.

PERFORMANCE CONTEXT

The following demographic and economic information was obtained from publicly available sources that include the U.S. Department of Commerce's Bureau of Census, the U.S. Department of Labor, and Dun & Bradstreet.

Demographic Characteristics

Chemung's assessment area in the Ithaca MSA consists of all of Tompkins County, which includes the City of Ithaca. The assessment area is located within Central New York. According to the 2015 ACS, the assessment area's population totals 103,855 or 8.0% of the bank's NYS combined assessment area population. Based on 2015 ACS data, of the 23 census tracts included in the analysis, none of the tracts are low-income, four or 17.4% are moderate-income, 12 or 52.2% are middle-income, six or 26.1% are upper-income and one or 4.3% is of unknown income.

Income Characteristics

The MSA 20760 (Ithaca, NY) assessment area has 20,250 families, of which 21.0% are considered low-income, 16.7% are moderate-income and 9.5% have incomes below the poverty level. The FFIEC-estimated median family income for assessment area was \$75,600 in 2017 and \$89,000 in 2018.

Housing Characteristics

The 2015 ACS showed that the MSA 27060 (Ithaca, NY) assessment area has 41,983 housing units, of which 50.9% are owner-occupied and 40.7% are rental units. Of the available owner-occupied units, 12.2%

are located in moderate-income areas. In moderate-income tracts 46.3% the housing units are rental units, 5.4% are vacant, and 48.3% are owner-occupied.

The 2015 ACS showed that the median age of housing stock in the assessment area was 45 years, with 32.2% of the stock built before 1950. Within the assessment area, the median age of housing stock was 50 years in moderate-income tracts.

According to the 2015 ACS, the median housing value in that the MSA 27060 (Ithaca, NY) assessment area was \$176,528, with an affordability ratio of 29.8, which indicates homes are less affordable than the other assessment areas. The median gross rent in the assessment area was \$987 per month. Within the assessment area, 52.4% of all renters had rental costs that exceeded 30% of their incomes.

Labor, Employment and Economic Characteristics

Ithaca is one of the smaller metropolitan areas in New York State. Located in the southern part of the state, Ithaca is home to both Cornell University and Ithaca College, and education has long been the dominant industry in the area economy. As a college town, Ithaca has a fairly young and well-educated population, and that characteristic, combined with the presence of the area's higher education institutions, has attracted innovative companies to the region. During the evaluation period, annual unemployment rates were 4.3% in 2017 and 3.7% in 2018. The unemployment rate for New York State was 4.7% in 2017 and 4.1% in 2018.

According to Dun & Bradstreet data, the assessment area had 3,986 businesses in 2018, of which 90.4% were small businesses with GAR of \$1 million or less. Additional performance context data for this assessment area is provided in the subsequent MSA 27060 (Ithaca, NY) Assessment Area Demographics table.

Assessment Area Demographics								
Assessment Area: MSA 27060 (Ithaca, NY) - 2018								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	4,261	21.0
Moderate-income	4	17.4	2,521	12.4	573	22.7	3,384	16.7
Middle-income	12	52.2	13,663	67.5	1,065	7.8	4,298	21.2
Upper-income	6	26.1	4,005	19.8	291	7.3	8,307	41.0
Unknown-income	1	4.3	61	0.3	0	0.0	0	0.0
Total Assessment Area	23	100.0	20,250	100.0	1,929	9.5	20,250	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	5,406	2,611	12.2	48.3	2,505	46.3	290	5.4
Middle-income	24,861	15,078	70.6	60.6	7,844	31.6	1,939	7.8
Upper-income	9,521	3,625	17.0	38.1	5,072	53.3	824	8.7
Unknown-income	2,195	42	0.2	1.9	1,683	76.7	470	21.4
Total Assessment Area	41,983	21,356	100.0	50.9	17,104	40.7	3,523	8.4
	Total Businesses by		Businesses by Tract & Revenue Size					

	Tract		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	653	16.4	577	16.0	73	22.0	3	6.0
Middle-income	1,994	50.0	1,834	50.9	127	38.3	33	66.0
Upper-income	1,244	31.2	1,104	30.6	126	38.0	14	28.0
Unknown-income	95	2.4	89	2.5	6	1.8	0	0.0
Total Assessment Area	3,986	100.0	3,604	100.0	332	100.0	50	100.0
	Percentage of Total Businesses:			90.4		8.3		1.3

Based on 2018 FFIEC Census Data and 2018 D&B Information

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Chemung’s performance relative to the lending test is rated low satisfactory. Lending levels reflected adequate responsiveness to community needs. The bank’s performance with regard to the geographic distribution of loans reflected adequate penetration throughout the assessment area. The distribution of borrowers reflected good penetration among customers of different income levels and businesses of different sizes. In addition, the bank made a low level of community development loans.

Lending Activity

Chemung’s lending activity demonstrated adequate responsiveness to the retail credit needs of the MSA 27060 (Ithaca, NY) assessment area. Chemung originated 11 home purchase, 25 refinance, 17 home improvement, and 13 small business loans during the evaluation period in this assessment area. In 2018 Chemung ranked fourth in deposit market share (4.7% deposit market share) while fourteenth in home purchase lending (0.9% market share), eighth in refinance lending (3.4% market share), and tied for sixteenth in small business lending (0.5% market share). In 2018, the bank did not make any HMDA reportable home improvement loans. Comparisons based on the number of loans per billion dollars of deposits in 2018 indicated that the bank’s performance was comparable to the lending volume of peer banks.

Chemung’s number of HMDA-related and small business loans decreased by 45.6% on an annualized basis compared to the previous evaluation period. Specifically, small business lending decreased by 27.8% and HMDA-related lending decreased by 48.7%. Home purchase lending decreased by 61.6%, refinance

lending decreased by 31.8% and home improvement lending decreased by 55.3%. The decrease in home improvement lending is due in part to changes in reporting requirements in 2018.

Geographic Distribution of Loans

The overall geographic distribution of HMDA-related and small business loans reflected adequate loan penetration across census tracts of different income levels in the MSA 27060 (Ithaca, NY) assessment area. HMDA-related lending performance was adequate while small business lending performance was excellent. There are no low-income census tracts in MSA 27060; therefore, the geographic distribution analysis focused on moderate-income census tracts. HMDA lending volumes are insufficient to analyze on an individual product basis therefore HMDA lending was analyzed as a group. The rating also considers an analysis of conspicuous gaps in lending which indicates that during the evaluation period, Chemung had good HMDA and small business and loan penetration as it originated loans in 60.9% and 65.2% of all census tracts in 2018 and 2017 respectively.

HMDA-Related Loans

Chemung's HMDA-related lending distribution in MSA 27060 was considered adequate based on poor performance in 2018 and excellent performance in 2017. In 2018, Chemung did not make any HMDA-related loans in moderate income geographies while 12.2% of all owner-occupied housing units are in moderate-income geographies. The market aggregate made 10.8% by number and 9.7% by dollar volume in moderate-income geographies. Performance in 2017 was excellent. Chemung originated 14.7% by number and 7.1% by dollar volume in moderate-income geographies exceeding the market aggregate by number but below by dollar volume, which originated 10.8% by number and 8.5% by dollar volume in 2017.

Small Business Loans

Overall, Chemung's small business lending performance in MSA 27060 was excellent based on performance in moderate-income geographies as there were no low-income geographies in the assessment area. In 2018, Chemung made 50.0% by number and 41.4% by dollar volume (four of eight loans) of its small business loans in moderate-income geographies compared to 16.4% of business establishments. Chemung's performance was above the market aggregate in 2018, which made 15.8% by number, and 17.7% by dollar volume in moderate-income geographies. In 2017, Chemung made 40% by number (two of five loans) and 21.7% by dollar volume in moderate-income geographies. Performance exceeded the aggregate which made 16.3% by number and 16.7% by dollar volume.

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

Lending performance in the assessment area relating to borrower distribution was good overall and reflected good penetration among individuals of all income levels (including LMI) and good penetration of businesses of different sizes. In reaching conclusions about performance, consideration was given to performance context factors, such as the high cost of housing for LMI persons. As Chemung's overall presence in this MSA is limited, HMDA lending volumes are insufficient to analyze on an individual product basis therefore HMDA-related lending was analyzed as a group.

As noted in the performance context section, the median housing value for MSA 27060 Ithaca, NY Assessment Area in 2018 is estimated to be about four times the income of the income of low-income borrowers.

HMDA-Related Loans

Chemung's overall distribution of HMDA-related loans to LMI borrowers in the MSA 27060 (Ithaca, NY) assessment area was good based on adequate distribution to low-income borrowers and excellent distribution to moderate-income borrowers. In 2018, Chemung made one HMDA-related loan to a low-income borrower, 5.3% by number and 2.2% by dollar volume, while 21.0% of the families in the MSA are low-income. Chemung's performance was below the market aggregate, which made 8.6% by number and 3.7% by dollar volume of its HMDA-related loans to low-income borrowers. Chemung's 2017 HMDA-related lending performance for low-income borrowers was excellent as Chemung originated 17.6% by number and 0.5% by dollar volume to low-income borrowers. In comparison, the market aggregate originated 8.5% by number and 2.2% by dollar volume to low-income borrowers.

Performance in lending to moderate-income borrowers was excellent in 2018, as 36.8% by number and 19.2% by dollar volume of Chemung's HMDA-related loans were made to moderate-income borrowers compared to 16.7% of families in the assessment area that were of moderate-income. Chemung's performance was above the market aggregate by number and comparable by dollar volume, which made 23.7% by number and 13.7% by dollar volume of its HMDA-related loans to moderate-income borrowers in 2018. Chemung's 2017 HMDA-related lending performance for moderate-income borrowers was good as 23.5% by number and 7.4% by dollar volume were to moderate-income borrowers compared to the market aggregates 18.8% by number and 7.7% by dollar volume.

Small Business Loans

The overall level of lending to small businesses in the MSA 27060 (Ithaca, NY) assessment area was good. During 2018, Chemung made 87.5% by number and 88.8% by dollar volume of its small business loans to businesses with GAR of \$1 million or less, compared to 90.4% of business establishments in the assessment area with GAR of \$1 million or less. Performance was above the market aggregate, which made 46.5% by number and 39.8% by dollar volume of its loans to businesses with GAR of \$1 million or less. Chemung's performance in 2017 was below 2018 performance as 60.0% by number and 16.7% by dollar volume of its small business loans were made to businesses with GAR of \$1 million or less. Performance in 2017 was above the market aggregate by number and below by dollar volume which made 53.2% by number and 48.5% by dollar volume to businesses with GAR of \$1 million or less.

During 2018, 85.7% of Chemung's loans were in amounts of \$100,000 or less and in 2017 80% of the bank's loans were in amounts of \$100,000 or less. The aggregate made 91.6% of its loans in 2018 and 91.8% of its loans in 2017 in amount of \$100,000 or less. Amounts of \$100,000 or less which are considered the most impactful loan size to small businesses.

Community Development Lending

Chemung's level of community development lending in MSA 27060 (Ithaca, NY) was low, as the bank did not make any community development loans in MSA 27060 (Ithaca, NY). In comparison during the last evaluation period, when the assessment area was evaluated under limited scope procedures, Chemung made three community development loans totaling \$772,000.

INVESTMENT TEST

Chemung's performance in the MSA 27060 (Ithaca, NY) assessment area was adequate. Chemung made occasional use of qualified investments and grants in the MSA 27060 (Ithaca, NY) assessment area. Chemung made a total of 18 grants / donations totaling \$26,000 that support community service activity during the evaluation period as well as one renewal of a \$445,000 municipal bond supporting infrastructure improvements in moderate-income census tracts.

SERVICE TEST

Performance on the service test in MSA 27060 (Ithaca, NY) assessment area was good as Chemung's branch distribution was readily accessible to all portions of the assessment area and the bank provided a relatively high level of community development services.

Retail Services

The bank's delivery systems were readily accessible to all portions of the assessment area, including the moderate-income areas. Chemung has three branches in the assessment area, two of which are located in moderate-income areas. In comparison, 15.2% of the MSA population resides in moderate-income areas.

Alternative delivery systems somewhat enhance the availability and effectiveness of retail credit and non-credit services in moderate-income geographies and to LMI individuals. There bank operates three offsite ATMs one of which is in a census tract of unknown income and the other two are located in an upper-income census tract.

The bank's hours and services do not vary in a way that inconveniences the assessment area, including moderate-income geographies and to LMI individuals. Extended or Saturday hours are available at all of the three branches.

Community Development Services

Chemung provided an adequate level of community development services in the MSA 27060 (Ithaca, NY) assessment area. Three Chemung officers served as directors, advisors or committee members for four organizations throughout the assessment area, providing 450 hours of community service.

Examples of the bank's efforts in providing such services include:

- One officer served on the board of directors of the local Habitat for Humanity.
- One officer served on the board of directors of a local non-for-profit organization that provides free meals to people in need.

- One officer served on the board of directors of a community healthcare center with the majority of patients on Medicaid.

METROPOLITAN AREA

(LIMITED REVIEW)

MSA 10580 (Albany-Schenectady-Troy, NY)

DESCRIPTION OF INSTITUTION'S OPERATIONS

A limited evaluation of Chemung's performance in MSA 10580 (Albany-Schenectady-Troy, NY) was completed. The bank included Albany and Saratoga Counties in 2017 and expanded this assessment area to include Schenectady County in 2018 as a result of a branch opening in the county. As of December 31, 2018, Chemung operated seven branches in MSA 10580 (Albany-Schenectady-Troy, NY), which accounts for 21.9% of all New York State branches. Two branches are located in LMI census tracts. The branches are operated under the name Capital Bank, a division of Chemung, and were acquired in November 2011. As of June 30, 2018, 17.7% of the bank's deposits in New York State were in this assessment area. Chemung ranks 14th out of 22 banks in the assessment area with 0.94% of all deposits. During the 2017 and 2018 evaluation period, the assessment area had 25.2% of its New York State HMDA and small business lending activity.

According to the 2015 ACS, the assessment area has 52.7% of the New York State assessment area's population. Key demographic highlights are listed below:

Assessment Area Demographics – MSA 10580 (Albany-Schenectady-Troy, NY)				
Income Category	Tract Distribution		Percentage of Owner Occupied Housing Units by Tract	Percentage of Families by Income Level
	#	%		
Low Income	17	10.1	2.9	19.5
Moderate Income	30	17.9	12.7	17.5
Middle Income	77	45.8	52.4	22.0
Upper Income	41	24.4	32.0	41.1
Unknown	3	1.8	0.0	0.0
Total	168	100.0	100.0	100.0

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Facts and data reviewed, including performance and demographic information, can be found in the tables accompanying this report. Conclusions regarding performance, which did not affect the overall rating, are as follows:

Chemung’s performance in MSA 10580 was consistent with its overall high satisfactory performance in New York State, which was based on the full-scope assessment area performance.

Assessment Area	Lending Test	Investment Test	Service Test
MSA 10580	Consistent	Consistent	Consistent

The overall lending test rating for New York State was high satisfactory. Chemung’s lending test performance in the assessment area was consistent with this performance. Geographic distribution was good and borrower distribution was adequate. Community development lending performance was good as the institution provided a relatively high level of community development loans. Investment test performance was consistent with the adequate performance in the state. Service test performance was consistent with the high satisfactory rating for New York State as the bank had two branches in the MSA located in an LMI area which provides LMI residents have access to banking services.

STATE OF PENNSYLVANIA

CRA RATING FOR PENNSYLVANIA: 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 supporting the rating include:

Lending Test:

- Lending levels reflected adequate responsiveness to AA credit needs.
- The distribution of borrowers reflected, given the product lines offered, good penetration among customers of different income levels and businesses of different sizes.
- The institution exhibited an adequate record of serving the credit needs of low-income individuals and areas and very small businesses.
- The institution provided an adequate level of CD loans.
- The institution made extensive use of innovative and/or flexible lending practices in serving AA credit needs.

Investment Test:

- The institution made an adequate level of qualified CD investments and grants, particularly those not routinely provided by private investors, rarely in a leadership position.
- The institution made rare use of innovative and/or complex investments to support CD initiatives.
- The institution exhibited adequate responsiveness to credit and CD needs.

Service Test:

- The bank's delivery systems were readily accessible to all portions of the assessment area.
- Alternative delivery systems somewhat enhanced the availability and effectiveness of retail credit and non-credit services in LMI geographies and to LMI individuals.
- The bank's hours and services do not vary in a way that inconveniences the assessment area, including LMI individuals.

- Services were tailored to convenience and needs of its AA, particularly LMI geographies and/or LMI individuals.
- The institution provided an adequate level of CD services.

SCOPE OF EXAMINATION

Examiners conducted a full-scope review of the Non-Metropolitan Pennsylvania assessment area based on deposit concentration, lending volume, and branch office network. This assessment area consists only of three counties in the state of Pennsylvania: Bradford County, the eastern portion of Tioga County and the western portion of Sullivan County. Therefore, ratings for the state of Pennsylvania were based solely on performance in this assessment area. Chemung's activities in the state of Pennsylvania made up 4.0% of Chemung's total deposits and were weighted accordingly when deriving overall ratings.

DESCRIPTION OF INSTITUTION'S OPERATIONS

The Pennsylvania assessment area has a limited branch presence and deposit base. As of December 31, 2018 Chemung operated three or 8.6% of its branches in the Pennsylvania Non-Metropolitan assessment area. As the assessment area solely consists of middle and upper-income census tracts none of the branches in Pennsylvania were located in LMI census tracts. However, one census tract in Sullivan County is considered underserved. The FDIC reported that as of June 30, 2018, 4.0% of all Chemung's deposits were held in the Pennsylvania assessment area. Lending in the state generated approximately 10.0% of Chemung's combined HMDA-related and small business loans during the evaluation period. As of June 30, 2018, Chemung held \$60 million in deposits in this assessment area capturing a deposit market share of 2.93% and ranking sixth in deposits among seven depository institutions in the assessment area. Chemung originated 10.0% of its HMDA-related and small business loans in the assessment area.

PERFORMANCE CONTEXT

Demographic Characteristics

The Non-Metropolitan Pennsylvania assessment area encompasses portions of three contiguous counties located mainly in the northern and central portions of Pennsylvania. These counties are primarily rural with towns and villages scattered across the assessment area. According to the 2015 ACS, the assessment area's population totals 88,048. The Non-Metropolitan Pennsylvania assessment area contains 6.3% of the bank's total combined assessment area population in New York State and Pennsylvania.

Based on 2015 ACS data, of the 20 census tracts in the Non-Metropolitan Pennsylvania assessment area, none of the tracts are of low- or moderate-income while 18 are middle-income and two are upper-income. Within the assessment area, one middle-income census tract in Sullivan County meets the FFIEC definition of an underserved middle-income census tract for remote rural areas.

Income Characteristics

The Non-Metropolitan Pennsylvania assessment area has 23,377 families, of which 17.9% are considered low-income, 18.4% are moderate-income, and 9.1% have incomes below the poverty level. The FFIEC-

adjusted median family incomes for the statewide Pennsylvania non-metropolitan areas was \$57,500 in 2017 and \$60,500 in 2018.

Housing Characteristics

The 2015 ACS showed that the Non-Metropolitan Pennsylvania assessment area had 44,548 housing units, of which 57.8% are owner-occupied and 19.1% are rental units. Of the available owner-occupied units, 87.9% are located in middle-income areas and 12.1 in upper-income areas. There are no LMI geographies.

The 2015 ACS showed that the median age of housing stock in the assessment area was 53 years old, with 37.0% of the stock built before 1950. According to the 2015 ACS, the median housing value in the Non-Metropolitan Pennsylvania assessment area was \$135,876, with an affordability ratio of 35.9. The median gross rent in the assessment area was \$681 per month. Within the assessment area, 38.2% of all renters had rental costs that exceeded 30% of their incomes.

Labor, Employment and Economic Conditions

Economic conditions in the non-metropolitan counties of northern Pennsylvania are improving as the economy, particularly in Bradford County, shifts from a tourist-based economy to an economy driven by the natural gas industry. The unemployment rates for the assessment area are generally improving as average annual unemployment rates ranged from 5.9% in Sullivan and Tioga Counties in 2017 to 4.4% in Bradford County in 2018.

According to Dun & Bradstreet data, the assessment area had 3,086 businesses in 2018, of which 89.4% were small businesses with GAR of \$1 million or less.

Additional performance context data for this assessment area is provided in the subsequent Non-Metropolitan Pennsylvania Assessment Area Demographics table.

Assessment Area Demographics								
Assessment Area: PA Non-Metropolitan Assessment Area - 2018								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	4,175	17.9
Moderate-income	0	0.0	0	0.0	0	0.0	4,306	18.4
Middle-income	18	90.0	20,746	88.7	1,923	9.3	4,907	21.0
Upper-income	2	10.0	2,631	11.3	197	7.5	9,989	42.7
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	20	100.0	23,377	100.0	2,120	9.1	23,377	100.0
	Housing	Housing Types by Tract						
	Units by Tract	Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	0	0	0.0	0.0	0	0.0	0	0.0
Middle-income	40,352	22,634	87.9	56.1	7,950	19.7	9,768	24.2
Upper-income	4,196	3,125	12.1	74.5	572	13.6	499	11.9
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	44,548	25,759	100.0	57.8	8,522	19.1	10,267	23.0
	Total Businesses by	Businesses by Tract & Revenue Size						

	Tract		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	2,746	89.0	2,463	89.3	192	85.0	91	90.1
Upper-income	340	11.0	296	10.7	34	15.0	10	9.9
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	3,086	100.0	2,759	100.0	226	100.0	101	100.0
	Percentage of Total Businesses:			89.4		7.3		3.3

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Conclusions regarding Chemung’s performance in Pennsylvania with respect to the lending, investment and service tests are based solely on performance in the Non-Metropolitan Pennsylvania assessment area. Chemung’s performance with respect to lending, investment and service tests are generally below the overall conclusions for the bank. Performance under the lending test is rated low satisfactory and performance under the investment test is rated low satisfactory. Chemung’s performance under the service test is also rated low satisfactory. Specific comments regarding the lending, investment and service tests are discussed below.

Lending Test

Chemung’s performance relative to the lending test is rated low satisfactory. Lending levels reflected adequate responsiveness to community needs. The bank’s performance with regard to the geographic distribution of loans was not evaluated, as there were no LMI census tracts in this assessment area. The distribution of borrowers reflected good penetration among customers of different income levels and businesses of different sizes. The bank made an adequate level of community development loans.

Lending Activity

Chemung’s lending activity demonstrated adequate responsiveness to the retail credit needs of the Non-Metropolitan Pennsylvania assessment area. Chemung originated 11 home purchase, 33 refinance, 57 home improvement, and 37 small business loans during the evaluation period in this assessment area. In 2018 Chemung ranked sixth in deposit market share (2.9% deposit market share) while 27th in home purchase lending (0.4% market share), seventh in refinance lending (3.5% market share), seventh in home improvement lending (5.4% market share) and fourteenth in small business lending (2.0% market share).

Comparisons based on the number of loans per billion dollars of deposits in 2018 indicate that the bank's performance was comparable to the lending volume of peer banks.

Chemung's number of HMDA-related and small business loans decreased by 43.6% on an annualized basis compared to the previous examination period. Specifically, small business lending decreased by 54.1% and HMDA-related lending decreased by 38.4%. Home purchase lending decreased by 52.9%, refinance lending increased by 17.9% and home improvement lending decreased by 49.4%. The decrease in home improvement lending is due in part to changes in reporting requirements in 2018.

Geographic Distribution of Loans

The Non-Metropolitan Pennsylvania assessment area consists of 18 middle-income census tracts and two upper-income census tracts. There are no LMI census tracts, therefore, no rating for geographic distribution was assigned.

Borrower Distribution

Lending performance in the Non-Metropolitan Pennsylvania assessment area relating to borrower distribution was good overall and reflected good penetration among individuals of all income levels (including LMI) and adequate penetration of businesses of different sizes. HMDA lending volumes are insufficient to analyze on an individual product basis therefore HMDA lending was analyzed as a group.

HMDA-Related Loans

Chemung's overall distribution of HMDA-related loans to LMI borrowers in the Non-Metropolitan Pennsylvania assessment area was good, based on good distribution to low-income borrowers and excellent distribution to moderate-income borrowers. In 2018, Chemung's performance was good as it originated 6.9% by number and 3.3% by dollar volume of its HMDA-related loans to low-income borrowers while 17.9% of the families in the Non-Metropolitan Pennsylvania assessment area are low-income. Chemung's performance was similar to the market aggregate, which made 7.2% by number and 3.3% by dollar volume of its HMDA-related loans to low-income borrowers. Chemung's 2017 HMDA-related lending performance for low-income borrowers was excellent as Chemung originated 23.6% by number and 10.5% by dollar volume to low-income borrowers. In comparison, the market aggregate originated 5.9% by number and 2.9% by dollar volume to low-income borrowers.

Performance in lending to moderate-income borrowers was excellent in 2018, as 20.7% by number and 11.7% by dollar volume of Chemung's HMDA-related loans were made to moderate-income borrowers compared to 18.4% of families in the assessment area that were of moderate-income. Chemung's performance was above the market aggregate, which made 18.9% by number and 14.0% by dollar volume of its HMDA-related loans to moderate-income borrowers in 2018. Chemung's 2017 HMDA-related lending performance for moderate-income borrowers was excellent as 19.4% by number and 14.5% by dollar volume were to moderate-income borrowers compared to the market aggregate of 17.8% by number and 13.1% by dollar volume.

Small Business Loans

The overall level of lending to small businesses in the Non-Metropolitan Pennsylvania assessment area was adequate. During 2018, Chemung made 54.5% by number and 66.5% by dollar volume of its small business loans to businesses with GAR of \$1 million or less, compared to 89.4% of business establishments in the assessment area with GAR of \$1 million or less. Performance was above the market aggregate, which made 39.8% by number and 30.4% by dollar volume of its loans to businesses with GAR of \$1 million or less. Chemung's performance in 2017 was below 2018 performance as 46.7% by number and 47.9% by dollar volume of its small business loans were made to businesses with GAR of \$1 million or less. Performance in 2017 was similar to the market which made 46.4% by number and 30.7% by dollar volume to businesses with GAR of \$1 million or less.

During 2018, 59.1% of Chemung's loans were in amounts of \$100,000 or less and compared to the aggregate performance of 90.8%. In 2017 28.6% of the bank's loans were in amounts of \$100,000 or less, compared to aggregate performance of 88.7%. Loan in amounts of \$100,000 or less are considered the most impactful loan size to small businesses.

Community Development Lending

Chemung's community development lending performance in the Non-Metropolitan Pennsylvania assessment area demonstrates adequate responsiveness to the community development needs of the assessment area, considering the need and availability of such opportunities for community development in the assessment area. Community development lending consisted of five loans totaling \$149,000. These loans were to a nonprofit that provides opportunities and lifestyle choices for LMI persons with developmental disabilities, and to a daycare with services to low- or moderate-income individuals and families. Community development lending exceeded the last examination when \$83,000 in community development loans were reported.

INVESTMENT TEST

Chemung's performance in the lending test is rated *low satisfactory* as investment test performance in the Non-Metropolitan Pennsylvania assessment area was adequate. Qualified investment performance was comparable to last evaluation period when a total of \$12,000 in qualified investments was reported for the three-year review period. Chemung had a total of \$14,000 in charitable grants and contributions to various community service non-profit organizations targeting LMI residents in the assessment area during this evaluation. The bank did not have any bonds or equity investments in the assessment area over the review period.

SERVICE TEST

Chemung's Performance on the service test was rated *low satisfactory* based on Chemung's adequate branch distribution and its adequate level of providing community development services in the Non-Metropolitan Pennsylvania assessment area.

Retail Services

The bank's delivery systems were readily accessible to all portions of the assessment area. Overall, Chemung had 3 branches in the assessment area all of which are located in middle-income census tracts as the assessment area does not contain any LMI census tracts.

Alternative delivery systems somewhat enhanced the availability and effectiveness of retail credit and non-credit services in LMI geographies and to LMI individuals. All branches have full-service ATMs; however, there were no off-site ATMs in the assessment area.

The bank's hours and services do not vary in a way that inconveniences the assessment area, including LMI individuals. Extended hours are available at all branches, with all three branches open on Saturdays.

Community Development Services

Chemung provided an adequate level of community development services in the assessment area. Five of Chemung's officers serve as board and committee members for nine organizations in Bradford County that serve LMI residents. Another officer provided financial expertise in a seminar through a non-profit services organization targeting LMI individuals.

APPENDIX A: Aggregate Comparison Loan Distribution Tables 2017-2018
2017 Aggregate Comparison Loan Distribution Table
Assessment Area: MSA 21300

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	3.2%	1.6%	3	8.3%	4.7%	9.3%	5.4%
Moderate	4	11.1%	9.1%	9.3%	6.4%	9	25.0%	15.7%	21.7%	15.6%
Middle	19	52.8%	47.8%	54.1%	49.0%	7	19.4%	17.1%	21.5%	20.3%
Upper	13	36.1%	43.1%	33.3%	43.0%	14	38.9%	49.2%	29.4%	42.7%
Unknown	0	0.0%	0.0%	0.0%	0.0%	3	8.3%	13.4%	18.1%	16.0%
Total	36	100.0%	100.0%	100.0%	100.0%	36	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	3.2%	1.7%	5	23.8%	14.0%	7.6%	4.0%
Moderate	0	0.0%	0.0%	8.4%	4.6%	4	19.0%	16.3%	15.8%	11.5%
Middle	15	71.4%	52.5%	53.7%	53.4%	2	9.5%	7.9%	22.4%	19.6%
Upper	6	28.6%	47.5%	34.7%	40.3%	9	42.9%	59.3%	43.3%	53.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	4.8%	2.5%	10.8%	11.4%
Total	21	100.0%	100.0%	100.0%	100.0%	21	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	9	7.8%	5.4%	5.3%	3.0%	30	26.1%	17.2%	13.5%	6.2%
Moderate	10	8.7%	5.7%	8.2%	5.2%	33	28.7%	36.9%	19.2%	14.7%
Middle	70	60.9%	66.0%	55.5%	55.4%	32	27.8%	15.6%	30.0%	26.8%
Upper	26	22.6%	22.9%	31.0%	36.4%	19	16.5%	29.7%	34.8%	44.4%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	0.9%	0.6%	2.5%	7.8%
Total	115	100.0%	100.0%	100.0%	100.0%	115	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	25.0%	3.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	75.0%	97.0%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	100.0%	100.0%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
HMDA Totals										
Low	9	5.2%	1.0%	3.8%	1.8%	38	22.1%	9.4%	10.1%	5.0%
Moderate	14	8.1%	6.2%	8.8%	5.8%	46	26.7%	19.9%	19.7%	14.3%
Middle	104	60.5%	52.4%	54.4%	51.5%	41	23.8%	14.5%	24.0%	20.3%
Upper	45	26.2%	40.4%	32.9%	40.9%	42	24.4%	48.0%	33.8%	44.4%
Unknown	0	0.0%	0.0%	0.0%	0.0%	5	2.9%	8.3%	12.4%	16.0%
Total	172	100.0%	100.0%	100.0%	100.0%	172	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank			Aggregate					
		%	% \$(000s)		%	% \$(000s)				
Low	12	18.5%	25.1%		15.6%	23.6%				
Moderate	21	32.3%	33.1%		13.5%	21.6%				
Middle	18	27.7%	23.5%		40.3%	29.9%				
Upper	14	21.5%	18.3%		29.4%	24.2%				
Unknown	0	0.0%	0.0%		0.1%	0.0%				
Tract Unknown	0	0.0%	0.0%		0.9%	0.7%				
Total	65	100.0%	100.0%		100.0%	100.0%				
By Revenue										
\$1 Million or Less	16	24.6%	10.7%		39.6%	27.0%				
By Loan Size										
\$100,000 or less	25	38.5%	7.8%		89.4%	21.8%				
\$100,001-\$250,000	17	26.2%	17.4%		4.6%	16.7%				
\$250,001-\$1 Million	23	35.4%	74.8%		6.0%	61.5%				
Total	65	100.0%	100.0%		100.0%	100.0%				

Originations and Purchases

2018 Aggregate Comparison Loan Distribution Table
 Assessment Area: MSA 21300

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)
Home Purchase										
Low	3	6.8%	3.2%	4.2%	1.9%	5	11.4%	6.8%	11.9%	6.0%
Moderate	3	6.8%	3.8%	9.6%	5.5%	11	25.0%	17.9%	27.7%	20.8%
Middle	23	52.3%	43.3%	50.9%	44.8%	10	22.7%	20.9%	22.4%	20.8%
Upper	15	34.1%	49.7%	35.2%	47.8%	11	25.0%	42.8%	28.6%	43.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	7	15.9%	11.7%	9.4%	9.3%
Total	44	100.0%	100.0%	100.0%	100.0%	44	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	3.0%	1.4%	3	11.1%	8.5%	9.2%	5.5%
Moderate	2	7.4%	14.2%	9.9%	7.4%	3	11.1%	12.3%	20.3%	15.6%
Middle	12	44.4%	32.9%	55.6%	56.3%	8	29.6%	16.4%	26.1%	25.5%
Upper	13	48.1%	52.9%	31.5%	34.8%	11	40.7%	57.5%	37.0%	46.2%
Unknown	0	0.0%	0.0%	0.0%	0.0%	2	7.4%	5.3%	7.4%	7.3%
Total	27	100.0%	100.0%	100.0%	100.0%	27	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	3.4%	2.6%	1	7.1%	4.2%	6.2%	3.7%
Moderate	1	7.1%	5.0%	4.5%	3.7%	3	21.4%	21.8%	14.1%	11.6%
Middle	7	50.0%	44.2%	55.4%	49.7%	3	21.4%	9.4%	29.4%	24.3%
Upper	6	42.9%	50.8%	36.7%	44.0%	6	42.9%	58.0%	44.6%	54.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	7.1%	6.7%	5.6%	5.7%
Total	14	100.0%	100.0%	100.0%	100.0%	14	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	30.8%	2.2%	0	0.0%	0.0%	0.0%	0.0%
Moderate	1	33.3%	91.8%	7.7%	57.1%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	46.2%	35.5%	0	0.0%	0.0%	15.4%	1.8%
Upper	2	66.7%	8.2%	15.4%	5.1%	0	0.0%	0.0%	7.7%	0.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	3	100.0%	100.0%	76.9%	97.7%
Total	3	100.0%	100.0%	100.0%	100.0%	3	100.0%	100.0%	100.0%	100.0%
HMDA Totals										
Low	3	3.4%	0.5%	4.0%	1.9%	9	10.2%	1.7%	10.5%	4.7%
Moderate	7	8.0%	71.6%	9.1%	15.6%	17	19.3%	4.0%	24.1%	15.7%
Middle	42	47.7%	9.6%	52.5%	45.1%	21	23.9%	4.5%	24.0%	18.1%
Upper	36	40.9%	18.3%	34.3%	37.4%	28	31.8%	11.4%	32.3%	35.9%
Unknown	0	0.0%	0.0%	0.0%	0.0%	13	14.8%	78.5%	9.1%	25.6%
Total	88	100.0%	100.0%	100.0%	100.0%	88	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)		Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)
Low	19	26.0%	21.8%	17.1%	21.7%		17.1%	21.7%	17.1%	21.7%
Moderate	22	30.1%	31.0%	14.5%	20.7%		14.5%	20.7%	14.5%	20.7%
Middle	14	19.2%	24.7%	38.9%	24.7%		38.9%	24.7%	38.9%	24.7%
Upper	18	24.7%	22.4%	28.3%	32.4%		28.3%	32.4%	28.3%	32.4%
Unknown	0	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%
Tract Unknown	0	0.0%	0.0%	1.1%	0.6%		1.1%	0.6%	1.1%	0.6%
Total	73	100.0%	100.0%	100.0%	100.0%		100.0%	100.0%	100.0%	100.0%
By Revenue										
\$1 Million or Less	21	28.8%	12.6%	38.0%	25.0%		38.0%	25.0%	38.0%	25.0%
By Loan Size										
\$100,000 or less	39	53.4%	12.6%	92.4%	28.4%		92.4%	28.4%	92.4%	28.4%
\$100,001-\$250,000	9	12.3%	8.7%	2.5%	9.9%		2.5%	9.9%	2.5%	9.9%
\$250,001-\$1 Million	25	34.2%	78.7%	5.0%	61.7%		5.0%	61.7%	5.0%	61.7%
Total	73	100.0%	100.0%	100.0%	100.0%		100.0%	100.0%	100.0%	100.0%

2017 Aggregate Comparison Loan Distribution Table
 Assessment Area: Non-Metropolitan New York

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	0.5%	0.2%	1	2.6%	1.0%	5.8%	2.8%
Moderate	1	2.6%	1.6%	5.9%	3.5%	7	17.9%	11.8%	19.3%	11.7%
Middle	33	84.6%	88.9%	69.8%	72.3%	6	15.4%	10.1%	22.4%	16.3%
Upper	5	12.8%	9.5%	23.8%	24.0%	24	61.5%	76.1%	36.7%	40.9%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	2.6%	1.0%	15.7%	28.3%
Total	39	100.0%	100.0%	100.0%	100.0%	39	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	0.5%	0.2%	4	10.8%	7.1%	6.8%	3.6%
Moderate	2	5.4%	3.4%	5.3%	3.4%	4	10.8%	7.9%	16.2%	12.3%
Middle	25	67.6%	65.9%	70.3%	69.4%	10	27.0%	24.4%	25.1%	22.1%
Upper	10	27.0%	30.7%	23.9%	27.0%	18	48.6%	58.5%	41.5%	52.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	2.7%	2.1%	10.4%	9.7%
Total	37	100.0%	100.0%	100.0%	100.0%	37	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	1	1.2%	1.4%	0.3%	0.3%	15	17.9%	15.3%	12.9%	5.4%
Moderate	6	7.1%	10.0%	5.4%	4.2%	22	26.2%	24.5%	23.0%	15.2%
Middle	63	75.0%	77.3%	74.9%	67.1%	17	20.2%	19.6%	27.2%	21.9%
Upper	14	16.7%	11.3%	19.4%	28.4%	27	32.1%	38.6%	34.5%	53.9%
Unknown	0	0.0%	0.0%	0.0%	0.0%	3	3.6%	2.0%	2.4%	3.6%
Total	84	100.0%	100.0%	100.0%	100.0%	84	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	1	100.0%	100.0%	20.0%	2.3%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	20.0%	46.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	46.7%	19.2%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	13.3%	32.5%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	100.0%	100.0%	100.0%	100.0%
Total	1	100.0%	100.0%	100.0%	100.0%	1	100.0%	100.0%	100.0%	100.0%
HMDA Totals										
Low	2	1.2%	3.7%	0.5%	0.3%	20	12.4%	4.4%	7.7%	2.9%
Moderate	9	5.6%	2.9%	5.7%	5.8%	33	20.5%	11.2%	19.5%	11.4%
Middle	121	75.2%	76.7%	71.1%	68.6%	33	20.5%	15.6%	24.1%	16.9%
Upper	29	18.0%	16.6%	22.7%	25.3%	69	42.9%	63.8%	37.1%	41.7%
Unknown	0	0.0%	0.0%	0.0%	0.0%	6	3.7%	5.0%	11.6%	27.1%
Total	161	100.0%	100.0%	100.0%	100.0%	161	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)		Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)
Low	4	13.3%	20.3%	2.9%	5.4%					
Moderate	3	10.0%	11.3%	6.8%	8.9%					
Middle	17	56.7%	30.7%	65.2%	58.4%					
Upper	6	20.0%	37.8%	24.1%	26.9%					
Unknown	0	0.0%	0.0%	0.0%	0.0%					
Tract Unknown	0	0.0%	0.0%	1.0%	0.4%					
Total	30	100.0%	100.0%	100.0%	100.0%					
By Revenue										
\$1 Million or Less	22	73.3%	55.8%	52.3%	41.9%					
By Loan Size										
\$100,000 or less	17	56.7%	10.7%	91.4%	33.5%					
\$100,001-\$250,000	5	16.7%	14.2%	5.0%	19.5%					
\$250,001-\$1 Million	8	26.7%	75.1%	3.6%	47.0%					
Total	30	100.0%	100.0%	100.0%	100.0%					

2018 Aggregate Comparison Loan Distribution Table

Assessment Area: Non-Metropolitan New York

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	0.6%	0.3%	0	0.0%	0.0%	6.2%	3.3%
Moderate	0	0.0%	0.0%	6.3%	4.4%	8	21.6%	15.4%	21.6%	15.8%
Middle	29	78.4%	70.5%	67.7%	65.3%	12	32.4%	23.3%	25.2%	21.7%
Upper	8	21.6%	29.5%	25.4%	29.9%	14	37.8%	54.5%	38.1%	51.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	3	8.1%	6.8%	8.9%	8.2%
Total	37	100.0%	100.0%	100.0%	100.0%	37	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	0.5%	0.3%	3	7.9%	2.9%	9.1%	5.4%
Moderate	2	5.3%	5.2%	5.1%	3.7%	6	15.8%	11.3%	19.6%	15.3%
Middle	32	84.2%	86.4%	69.4%	66.1%	14	36.8%	40.2%	25.4%	21.9%
Upper	4	10.5%	8.4%	24.9%	29.9%	14	36.8%	42.7%	40.4%	50.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	2.6%	2.9%	5.5%	6.6%
Total	38	100.0%	100.0%	100.0%	100.0%	38	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	0.9%	0.5%	0	0.0%	0.0%	7.5%	4.5%
Moderate	0	0.0%	0.0%	3.7%	2.0%	2	16.7%	8.8%	15.5%	11.9%
Middle	11	91.7%	96.8%	68.9%	68.8%	2	16.7%	6.7%	24.6%	20.3%
Upper	1	8.3%	3.2%	26.5%	28.6%	7	58.3%	79.8%	49.2%	60.7%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	8.3%	4.7%	3.3%	2.6%
Total	12	100.0%	100.0%	100.0%	100.0%	12	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	20.8%	16.7%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	66.7%	28.1%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	12.5%	55.3%	0	0.0%	0.0%	4.2%	1.7%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	95.8%	98.3%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
HMDA Totals										
Low	0	0.0%	0.0%	0.6%	0.3%	3	3.4%	1.3%	7.1%	3.6%
Moderate	2	2.3%	2.3%	5.8%	4.9%	16	18.4%	13.2%	20.3%	14.6%
Middle	72	82.8%	79.0%	68.3%	63.5%	28	32.2%	29.6%	25.1%	20.5%
Upper	13	14.9%	18.7%	25.3%	31.3%	35	40.2%	50.9%	39.7%	48.6%
Unknown	0	0.0%	0.0%	0.0%	0.0%	5	5.7%	5.0%	7.9%	12.7%
Total	87	100.0%	100.0%	100.0%	100.0%	87	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)					
Low	3	8.3%	20.2%	2.5%	10.9%					
Moderate	2	5.6%	11.5%	6.1%	4.9%					
Middle	22	61.1%	48.5%	65.5%	57.8%					
Upper	9	25.0%	19.8%	24.7%	26.0%					
Unknown	0	0.0%	0.0%	0.0%	0.0%					
Tract Unknown	0	0.0%	0.0%	1.2%	0.4%					
Total	36	100.0%	100.0%	100.0%	100.0%					
By Revenue										
\$1 Million or Less	20	55.6%	25.9%	47.6%	40.7%					
By Loan Size										
\$100,000 or less	24	66.7%	16.9%	90.7%	29.4%					
\$100,001-\$250,000	6	16.7%	16.4%	5.1%	18.6%					
\$250,001-\$1 Million	6	16.7%	66.7%	4.2%	52.0%					
Total	36	100.0%	100.0%	100.0%	100.0%					

2017 Aggregate Comparison Loan Distribution Table
 Assessment Area: MSA 13780

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	2.5%	1.9%	1	9.1%	4.9%	8.7%	5.1%
Moderate	0	0.0%	0.0%	13.8%	9.3%	4	36.4%	16.2%	21.0%	16.7%
Middle	8	72.7%	77.3%	48.1%	47.5%	2	18.2%	10.3%	24.3%	23.4%
Upper	3	27.3%	22.7%	35.6%	41.3%	4	36.4%	68.6%	30.9%	41.9%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	15.1%	12.9%
Total	11	100.0%	100.0%	100.0%	100.0%	11	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	1	3.6%	2.5%	3.0%	2.0%	5	17.9%	12.4%	9.9%	5.8%
Moderate	2	7.1%	6.4%	13.1%	8.7%	5	17.9%	16.1%	21.9%	16.7%
Middle	16	57.1%	54.5%	44.3%	42.2%	5	17.9%	14.5%	21.9%	20.9%
Upper	9	32.1%	36.6%	39.7%	47.0%	13	46.4%	57.0%	33.4%	43.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	12.9%	13.5%
Total	28	100.0%	100.0%	100.0%	100.0%	28	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	2.2%	1.0%	7	19.4%	8.6%	15.3%	6.5%
Moderate	0	0.0%	0.0%	12.8%	10.0%	9	25.0%	14.3%	27.6%	16.9%
Middle	28	77.8%	79.3%	50.6%	52.9%	13	36.1%	58.5%	24.7%	21.8%
Upper	8	22.2%	20.7%	34.4%	36.0%	6	16.7%	16.7%	28.8%	43.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	2.8%	1.8%	3.6%	11.8%
Total	36	100.0%	100.0%	100.0%	100.0%	36	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	42.9%	43.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	4.8%	1.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	1	100.0%	100.0%	38.1%	43.2%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	14.3%	12.7%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	100.0%	100.0%	100.0%	100.0%
Total	1	100.0%	100.0%	100.0%	100.0%	1	100.0%	100.0%	100.0%	100.0%
HMDA Totals										
Low	1	1.3%	1.2%	2.9%	3.0%	13	17.1%	8.7%	9.9%	5.2%
Moderate	2	2.6%	3.0%	13.4%	8.9%	18	23.7%	15.5%	22.0%	16.2%
Middle	53	69.7%	67.4%	47.5%	46.5%	20	26.3%	17.0%	23.6%	22.1%
Upper	20	26.3%	28.4%	36.2%	41.6%	23	30.3%	55.7%	30.9%	41.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	2	2.6%	3.1%	13.5%	15.5%
Total	76	100.0%	100.0%	100.0%	100.0%	76	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)		Bank %	% \$(000s)	Aggregate %	% \$(000s)
Low	0	0.0%	0.0%	0.0%	0.0%		10.8%	13.4%		
Moderate	1	5.6%	19.3%	17.7%	20.6%					
Middle	13	72.2%	66.6%	48.0%	52.7%					
Upper	4	22.2%	14.0%	23.3%	13.2%					
Unknown	0	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%		
Tract Unknown	0	0.0%	0.0%	0.2%	0.1%					
Total	18	100.0%	100.0%	100.0%	100.0%		100.0%	100.0%		100.0%
By Revenue										
\$1 Million or Less	8	44.4%	15.8%	45.2%	30.6%					
By Loan Size										
\$100,000 or less	7	38.9%	5.2%	93.4%	35.2%					
\$100,001-\$250,000	5	27.8%	18.4%	3.8%	18.3%					
\$250,001-\$1 Million	6	33.3%	76.4%	2.8%	46.5%					
Total	18	100.0%	100.0%	100.0%	100.0%		100.0%	100.0%		100.0%

2018 Aggregate Comparison Loan Distribution Table
 Assessment Area: MSA 13780

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)
Home Purchase										
Low	2	9.1%	5.3%	3.6%	1.8%	0	0.0%	0.0%	9.9%	5.9%
Moderate	2	9.1%	9.6%	12.8%	9.1%	2	9.1%	6.3%	25.8%	19.6%
Middle	13	59.1%	55.0%	46.8%	45.3%	6	27.3%	21.7%	26.0%	25.2%
Upper	5	22.7%	30.1%	36.7%	43.9%	14	63.6%	72.1%	31.2%	42.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	7.1%	7.0%
Total	22	100.0%	100.0%	100.0%	100.0%	22	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	2	10.5%	10.4%	2.3%	1.3%	5	26.3%	19.4%	12.4%	7.4%
Moderate	1	5.3%	3.6%	10.5%	8.4%	2	10.5%	8.0%	19.4%	14.9%
Middle	15	78.9%	74.2%	45.5%	42.5%	4	21.1%	19.9%	24.9%	22.9%
Upper	1	5.3%	11.8%	41.7%	47.8%	7	36.8%	45.5%	38.5%	49.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	5.3%	7.1%	4.9%	5.4%
Total	19	100.0%	100.0%	100.0%	100.0%	19	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	2.6%	1.7%	1	33.3%	30.1%	10.3%	8.1%
Moderate	0	0.0%	0.0%	13.9%	11.5%	0	0.0%	0.0%	17.6%	14.7%
Middle	1	33.3%	30.1%	43.6%	40.4%	1	33.3%	35.0%	25.6%	27.0%
Upper	2	66.7%	69.9%	39.9%	46.4%	1	33.3%	35.0%	44.7%	48.7%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	1.8%	1.6%
Total	3	100.0%	100.0%	100.0%	100.0%	3	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	25.8%	19.8%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	29.0%	30.4%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	35.5%	37.9%	0	0.0%	0.0%	3.2%	2.4%
Upper	0	0.0%	0.0%	9.7%	11.9%	0	0.0%	0.0%	3.2%	4.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	93.5%	93.5%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
HMDA Totals										
Low	4	9.1%	7.0%	3.4%	2.2%	6	13.6%	8.0%	10.5%	6.2%
Moderate	3	6.8%	7.1%	12.5%	9.6%	4	9.1%	6.7%	23.1%	17.7%
Middle	29	65.9%	61.1%	46.1%	44.2%	11	25.0%	21.5%	25.4%	24.1%
Upper	8	18.2%	24.8%	38.0%	44.0%	22	50.0%	61.2%	34.1%	43.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	2.3%	2.6%	6.9%	8.9%
Total	44	100.0%	100.0%	100.0%	100.0%	44	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)					
Low	2	10.5%	3.4%	11.8%	15.9%					
Moderate	1	5.3%	25.7%	15.4%	20.7%					
Middle	11	57.9%	65.5%	47.7%	48.9%					
Upper	5	26.3%	5.3%	24.8%	14.4%					
Unknown	0	0.0%	0.0%	0.0%	0.0%					
Tract Unknown	0	0.0%	0.0%	0.3%	0.1%					
Total	19	100.0%	100.0%	100.0%	100.0%					
By Revenue										
\$1 Million or Less	12	63.2%	20.8%	42.0%	29.2%					
By Loan Size										
\$100,000 or less	12	63.2%	12.7%	93.8%	37.5%					
\$100,001-\$250,000	2	10.5%	6.9%	3.6%	18.4%					
\$250,001-\$1 Million	5	26.3%	80.3%	2.5%	44.0%					
Total	19	100.0%	100.0%	100.0%	100.0%					

Originations and Purchases

2017 Aggregate Comparison Loan Distribution Table
Assessment Area: MSA 27060

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	6.6%	2.9%
Moderate	0	0.0%	0.0%	9.1%	6.7%	1	25.0%	5.8%	18.0%	11.1%
Middle	4	100.0%	100.0%	69.5%	65.3%	1	25.0%	3.0%	23.7%	19.9%
Upper	0	0.0%	0.0%	21.2%	27.8%	1	25.0%	1.4%	42.2%	52.3%
Unknown	0	0.0%	0.0%	0.2%	0.2%	1	25.0%	89.8%	9.4%	13.8%
Total	4	100.0%	100.0%	100.0%	100.0%	4	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	7.2%	3.4%
Moderate	3	23.1%	15.9%	13.3%	10.0%	5	38.5%	9.6%	19.1%	11.9%
Middle	9	69.2%	81.9%	68.7%	57.8%	1	7.7%	2.8%	23.5%	17.4%
Upper	1	7.7%	2.1%	12.2%	13.6%	4	30.8%	26.9%	38.8%	48.2%
Unknown	0	0.0%	0.0%	5.8%	18.6%	3	23.1%	60.7%	11.3%	19.1%
Total	13	100.0%	100.0%	100.0%	100.0%	13	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	0.0%	0.0%	6	35.3%	10.3%	16.9%	6.1%
Moderate	2	11.8%	2.8%	12.7%	19.6%	2	11.8%	4.4%	22.5%	9.0%
Middle	14	82.4%	96.1%	77.2%	64.5%	3	17.6%	9.6%	22.1%	23.4%
Upper	1	5.9%	1.1%	9.7%	15.5%	6	35.3%	75.8%	36.3%	58.0%
Unknown	0	0.0%	0.0%	0.4%	0.4%	0	0.0%	0.0%	2.2%	3.6%
Total	17	100.0%	100.0%	100.0%	100.0%	17	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	12.0%	9.5%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	32.0%	22.3%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	24.0%	36.9%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	32.0%	31.3%	0	0.0%	0.0%	100.0%	100.0%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
HMDA Totals										
Low	0	0.0%	0.0%	0.0%	0.0%	6	17.6%	0.5%	8.5%	2.2%
Moderate	5	14.7%	7.1%	10.8%	8.5%	8	23.5%	7.4%	18.8%	7.7%
Middle	27	79.4%	91.9%	70.1%	50.6%	5	14.7%	3.3%	23.0%	13.4%
Upper	2	5.9%	1.0%	17.0%	27.8%	11	32.4%	16.4%	39.6%	35.5%
Unknown	0	0.0%	0.0%	2.1%	13.0%	4	11.8%	72.4%	10.1%	41.3%
Total	34	100.0%	100.0%	100.0%	100.0%	34	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)					
Low	0	0.0%	0.0%	0.0%	0.0%					
Moderate	2	40.0%	21.7%	16.3%	16.7%					
Middle	2	40.0%	70.0%	48.7%	40.4%					
Upper	1	20.0%	8.3%	30.7%	35.2%					
Unknown	0	0.0%	0.0%	3.3%	7.3%					
Tract Unknown	0	0.0%	0.0%	0.9%	0.3%					
Total	5	100.0%	100.0%	100.0%	100.0%					
By Revenue										
\$1 Million or Less	3	60.0%	16.7%	53.2%	48.5%					
By Loan Size										
\$100,000 or less	4	80.0%	33.3%	91.8%	31.1%					
\$100,001-\$250,000	1	20.0%	66.7%	3.7%	15.1%					
\$250,001-\$1 Million	0	0.0%	0.0%	4.5%	53.8%					
Total	5	100.0%	100.0%	100.0%	100.0%					

2018 Aggregate Comparison Loan Distribution Table
 Assessment Area: MSA 27060

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	7.3%	3.8%
Moderate	0	0.0%	0.0%	10.3%	8.4%	2	28.6%	20.5%	23.0%	16.3%
Middle	6	85.7%	92.0%	70.0%	64.4%	2	28.6%	32.1%	22.5%	20.3%
Upper	1	14.3%	8.0%	18.9%	25.9%	3	42.9%	47.4%	41.0%	52.8%
Unknown	0	0.0%	0.0%	0.9%	1.2%	0	0.0%	0.0%	6.2%	6.7%
Total	7	100.0%	100.0%	100.0%	100.0%	7	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	0.0%	0.0%	1	8.3%	3.2%	12.0%	7.7%
Moderate	0	0.0%	0.0%	12.6%	12.1%	5	41.7%	18.7%	26.3%	20.8%
Middle	10	83.3%	42.4%	69.8%	65.0%	1	8.3%	4.4%	25.4%	24.2%
Upper	1	8.3%	15.3%	17.3%	20.8%	5	41.7%	73.7%	31.0%	40.2%
Unknown	1	8.3%	42.3%	0.3%	2.1%	0	0.0%	0.0%	5.3%	7.1%
Total	12	100.0%	100.0%	100.0%	100.0%	12	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	8.2%	5.6%
Moderate	0	0.0%	0.0%	5.9%	6.0%	0	0.0%	0.0%	22.4%	23.0%
Middle	0	0.0%	0.0%	80.0%	74.4%	0	0.0%	0.0%	34.1%	24.2%
Upper	0	0.0%	0.0%	14.1%	19.6%	0	0.0%	0.0%	31.8%	38.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	3.5%	8.9%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	21.7%	11.9%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	43.5%	27.9%	0	0.0%	0.0%	4.3%	0.5%
Upper	0	0.0%	0.0%	17.4%	39.1%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	17.4%	21.1%	0	0.0%	0.0%	95.7%	99.5%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
HMDA Totals										
Low	0	0.0%	0.0%	0.0%	0.0%	1	5.3%	2.2%	8.6%	3.7%
Moderate	0	0.0%	0.0%	10.8%	9.7%	7	36.8%	19.2%	23.4%	13.7%
Middle	16	84.2%	58.4%	70.1%	56.8%	3	15.8%	13.4%	23.7%	16.8%
Upper	2	10.5%	13.0%	18.1%	27.8%	8	42.1%	65.2%	36.9%	38.9%
Unknown	1	5.3%	28.6%	0.9%	5.4%	0	0.0%	0.0%	7.4%	27.0%
Total	19	100.0%	100.0%	100.0%	100.0%	19	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)					
Low	0	0.0%	0.0%	0.0%	0.0%					
Moderate	4	50.0%	41.4%	15.8%	17.7%					
Middle	3	37.5%	11.6%	48.2%	46.9%					
Upper	1	12.5%	47.0%	30.3%	26.1%					
Unknown	0	0.0%	0.0%	4.5%	9.1%					
Tract Unknown	0	0.0%	0.0%	1.1%	0.2%					
Total	8	100.0%	100.0%	100.0%	100.0%					
By Revenue										
\$1 Million or Less	7	87.5%	88.8%	46.5%	39.8%					
By Loan Size										
\$100,000 or less	7	87.5%	53.0%	91.6%	32.2%					
\$100,001-\$250,000	1	12.5%	47.0%	4.2%	18.3%					
\$250,001-\$1 Million	0	0.0%	0.0%	4.2%	49.4%					
Total	8	100.0%	100.0%	100.0%	100.0%					

2017 Aggregate Comparison Loan Distribution Table
 Assessment Area: MSA 10580

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)
Home Purchase										
Low	1	4.0%	3.1%	2.3%	1.2%	1	4.0%	6.4%	6.6%	3.4%
Moderate	5	20.0%	17.8%	11.9%	7.9%	2	8.0%	4.4%	21.8%	16.3%
Middle	11	44.0%	54.3%	51.8%	50.8%	4	16.0%	8.8%	25.2%	23.8%
Upper	8	32.0%	24.7%	34.0%	40.1%	12	48.0%	54.7%	36.4%	47.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	6	24.0%	25.7%	10.0%	9.0%
Total	25	100.0%	100.0%	100.0%	100.0%	25	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	1	5.6%	2.6%	2.4%	1.2%	2	11.1%	2.5%	7.2%	4.0%
Moderate	1	5.6%	2.3%	10.7%	7.5%	2	11.1%	5.8%	18.0%	13.5%
Middle	8	44.4%	33.1%	54.3%	51.8%	3	16.7%	10.1%	24.4%	22.4%
Upper	8	44.4%	62.0%	32.6%	39.6%	11	61.1%	81.5%	36.1%	43.4%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	14.3%	16.7%
Total	18	100.0%	100.0%	100.0%	100.0%	18	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	1.0%	0.4%	0	0.0%	0.0%	7.0%	3.2%
Moderate	0	0.0%	0.0%	9.6%	6.8%	1	20.0%	12.5%	16.7%	12.0%
Middle	1	20.0%	1.3%	56.4%	57.8%	1	20.0%	4.7%	25.9%	21.2%
Upper	4	80.0%	98.7%	33.0%	35.0%	2	40.0%	81.5%	46.7%	57.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	20.0%	1.3%	3.7%	6.6%
Total	5	100.0%	100.0%	100.0%	100.0%	5	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	21.9%	5.6%	0	0.0%	0.0%	0.0%	0.0%
Moderate	1	14.3%	1.4%	32.3%	10.2%	0	0.0%	0.0%	0.0%	0.0%
Middle	5	71.4%	98.1%	34.4%	43.3%	0	0.0%	0.0%	0.0%	0.0%
Upper	1	14.3%	0.4%	11.5%	41.0%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	7	100.0%	100.0%	100.0%	100.0%
Total	7	100.0%	100.0%	100.0%	100.0%	7	100.0%	100.0%	100.0%	100.0%
HMDA Totals										
Low	2	3.6%	0.7%	2.4%	1.7%	3	5.5%	1.1%	6.7%	3.1%
Moderate	7	12.7%	3.5%	11.6%	8.1%	5	9.1%	1.4%	20.3%	13.6%
Middle	25	45.5%	84.3%	52.6%	50.3%	8	14.5%	2.2%	24.9%	20.5%
Upper	21	38.2%	11.6%	33.4%	39.9%	25	45.5%	16.7%	36.8%	41.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	14	25.5%	78.6%	11.3%	21.7%
Total	55	100.0%	100.0%	100.0%	100.0%	55	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)					
Low	13	15.7%	15.4%	7.4%	8.7%					
Moderate	4	4.8%	5.6%	8.4%	7.3%					
Middle	32	38.6%	30.5%	46.7%	43.4%					
Upper	34	41.0%	48.4%	36.3%	39.9%					
Unknown	0	0.0%	0.0%	0.1%	0.3%					
Tract Unknown	0	0.0%	0.0%	1.1%	0.4%					
Total	83	100.0%	100.0%	100.0%	100.0%					
By Revenue										
\$1 Million or Less	23	27.7%	23.0%	48.0%	32.8%					
By Loan Size										
\$100,000 or less	24	28.9%	5.3%	92.1%	28.8%					
\$100,001-\$250,000	22	26.5%	14.1%	3.5%	13.4%					
\$250,001-\$1 Million	37	44.6%	80.6%	4.4%	57.9%					
Total	83	100.0%	100.0%	100.0%	100.0%					

2018 Aggregate Comparison Loan Distribution Table
 Assessment Area: MSA 10580

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)
Home Purchase										
Low	3	9.7%	5.0%	2.9%	1.6%	1	3.2%	0.9%	9.1%	4.8%
Moderate	4	12.9%	8.0%	14.0%	9.2%	6	19.4%	13.2%	25.2%	19.2%
Middle	14	45.2%	41.0%	52.6%	52.2%	4	12.9%	9.8%	26.4%	25.8%
Upper	10	32.3%	46.0%	30.5%	37.0%	12	38.7%	46.2%	32.3%	43.0%
Unknown	0	0.0%	0.0%	0.1%	0.1%	8	25.8%	29.9%	7.0%	7.1%
Total	31	100.0%	100.0%	100.0%	100.0%	31	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	2.0%	1.2%	3	16.7%	12.4%	9.7%	5.8%
Moderate	1	5.6%	4.1%	10.1%	7.2%	0	0.0%	0.0%	20.8%	16.8%
Middle	9	50.0%	48.9%	54.0%	51.6%	3	16.7%	20.5%	25.5%	24.4%
Upper	8	44.4%	47.0%	33.8%	40.0%	10	55.6%	56.8%	37.0%	44.2%
Unknown	0	0.0%	0.0%	0.1%	0.0%	2	11.1%	10.3%	7.0%	8.8%
Total	18	100.0%	100.0%	100.0%	100.0%	18	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	1.7%	1.1%	0	0.0%	0.0%	8.3%	6.3%
Moderate	0	0.0%	0.0%	7.5%	6.3%	0	0.0%	0.0%	18.0%	15.3%
Middle	4	80.0%	92.9%	53.5%	52.7%	2	40.0%	57.8%	26.6%	24.7%
Upper	1	20.0%	7.1%	37.3%	39.9%	3	60.0%	42.2%	45.7%	51.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	1.3%	2.3%
Total	5	100.0%	100.0%	100.0%	100.0%	5	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	10.7%	7.6%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	22.3%	10.5%	0	0.0%	0.0%	1.8%	0.0%
Middle	4	100.0%	100.0%	52.7%	54.7%	0	0.0%	0.0%	1.8%	0.1%
Upper	0	0.0%	0.0%	14.3%	27.2%	0	0.0%	0.0%	4.5%	0.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	4	100.0%	100.0%	92.0%	99.4%
Total	4	100.0%	100.0%	100.0%	100.0%	4	100.0%	100.0%	100.0%	100.0%
HMDA Totals										
Low	3	5.2%	1.8%	2.5%	2.1%	4	6.9%	2.5%	9.1%	4.6%
Moderate	5	8.6%	3.5%	12.2%	8.8%	6	10.3%	4.6%	23.1%	16.5%
Middle	31	53.4%	70.0%	53.1%	52.4%	9	15.5%	8.3%	26.0%	22.7%
Upper	19	32.8%	24.8%	32.1%	36.7%	25	43.1%	27.3%	35.0%	39.0%
Unknown	0	0.0%	0.0%	0.1%	0.0%	14	24.1%	57.2%	6.9%	17.2%
Total	58	100.0%	100.0%	100.0%	100.0%	58	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)		Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)
Low	21	16.4%	16.5%	8.3%	9.8%					
Moderate	5	3.9%	7.7%	10.3%	10.7%					
Middle	54	42.2%	30.6%	46.2%	44.2%					
Upper	48	37.5%	45.2%	33.8%	34.7%					
Unknown	0	0.0%	0.0%	0.3%	0.2%					
Tract Unknown	0	0.0%	0.0%	1.0%	0.3%					
Total	128	100.0%	100.0%	100.0%	100.0%					
By Revenue										
\$1 Million or Less	51	39.8%	22.9%	42.6%	26.3%					
By Loan Size										
\$100,000 or less	53	41.4%	8.2%	93.0%	32.3%					
\$100,001-\$250,000	30	23.4%	16.1%	3.3%	13.9%					
\$250,001-\$1 Million	45	35.2%	75.8%	3.8%	53.8%					
Total	128	100.0%	100.0%	100.0%	100.0%					

2017 Aggregate Comparison Loan Distribution Table

Assessment Area: Non Metropolitan Pennsylvania

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	4.0%	2.2%
Moderate	0	0.0%	0.0%	0.0%	0.0%	1	12.5%	5.9%	16.6%	12.6%
Middle	7	87.5%	77.7%	88.9%	88.6%	1	12.5%	10.6%	25.0%	23.4%
Upper	1	12.5%	22.3%	11.1%	11.4%	4	50.0%	48.4%	37.6%	44.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	2	25.0%	35.2%	16.8%	17.0%
Total	8	100.0%	100.0%	100.0%	100.0%	8	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	0.0%	0.0%	4	25.0%	16.2%	7.4%	4.7%
Moderate	0	0.0%	0.0%	0.0%	0.0%	4	25.0%	21.9%	19.0%	14.1%
Middle	14	87.5%	81.1%	90.3%	87.7%	3	18.8%	17.0%	23.1%	21.9%
Upper	2	12.5%	18.9%	9.7%	12.3%	5	31.3%	45.0%	39.3%	46.6%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	11.2%	12.7%
Total	16	100.0%	100.0%	100.0%	100.0%	16	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	0.0%	0.0%	13	27.1%	15.1%	9.5%	2.1%
Moderate	0	0.0%	0.0%	0.0%	0.0%	9	18.8%	10.3%	20.1%	16.5%
Middle	46	95.8%	94.6%	87.2%	85.3%	12	25.0%	39.8%	26.3%	23.5%
Upper	2	4.2%	5.4%	12.8%	14.7%	14	29.2%	34.8%	43.1%	56.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	1.0%	1.9%
Total	48	100.0%	100.0%	100.0%	100.0%	48	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	100.0%	100.0%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
HMDA Totals										
Low	0	0.0%	0.0%	0.0%	0.0%	17	23.6%	10.5%	5.9%	2.9%
Moderate	0	0.0%	0.0%	0.0%	0.0%	14	19.4%	14.5%	17.8%	13.1%
Middle	67	93.1%	82.3%	89.1%	88.3%	16	22.2%	18.7%	24.6%	22.6%
Upper	5	6.9%	17.7%	10.9%	11.7%	23	31.9%	44.4%	38.9%	45.4%
Unknown	0	0.0%	0.0%	0.0%	0.0%	2	2.8%	11.9%	12.8%	16.0%
Total	72	100.0%	100.0%	100.0%	100.0%	72	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
		Bank			Aggregate					
	#	%	% \$(000s)		%	% \$(000s)				
Low	0	0.0%	0.0%		0.0%	0.0%				
Moderate	0	0.0%	0.0%		0.0%	0.0%				
Middle	14	93.3%	94.0%		87.9%	89.8%				
Upper	1	6.7%	6.0%		11.3%	9.8%				
Unknown	0	0.0%	0.0%		0.0%	0.0%				
Tract Unknown	0	0.0%	0.0%		0.8%	0.4%				
Total	15	100.0%	100.0%		100.0%	100.0%				
By Revenue										
\$1 Million or Less	7	46.7%	47.9%		46.4%	30.7%				
By Loan Size										
\$100,000 or less	6	40.0%	11.4%		88.7%	28.2%				
\$100,001-\$250,000	4	26.7%	21.1%		6.7%	22.7%				
\$250,001-\$1 Million	5	33.3%	67.5%		4.6%	49.1%				
Total	15	100.0%	100.0%		100.0%	100.0%				

Originations and Purchases

2018 Aggregate Comparison Loan Distribution Table
 Assessment Area: Non-Metropolitan Pennsylvania

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	5.2%	2.5%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	20.4%	14.7%
Middle	2	66.7%	54.8%	88.5%	88.0%	1	33.3%	10.6%	26.2%	23.9%
Upper	1	33.3%	45.2%	11.5%	12.0%	2	66.7%	89.4%	34.6%	45.9%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	13.5%	13.0%
Total	3	100.0%	100.0%	100.0%	100.0%	3	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	9.8%	4.9%
Moderate	0	0.0%	0.0%	0.0%	0.0%	5	29.4%	16.8%	18.5%	13.7%
Middle	16	94.1%	87.1%	92.1%	91.9%	4	23.5%	25.6%	27.4%	26.9%
Upper	1	5.9%	12.9%	7.9%	8.1%	8	47.1%	57.6%	37.6%	45.4%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	6.8%	9.2%
Total	17	100.0%	100.0%	100.0%	100.0%	17	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	0.0%	0.0%	2	22.2%	20.7%	10.7%	6.3%
Moderate	0	0.0%	0.0%	0.0%	0.0%	1	11.1%	5.3%	11.3%	6.9%
Middle	9	100.0%	100.0%	91.7%	91.7%	3	33.3%	21.6%	27.4%	20.6%
Upper	0	0.0%	0.0%	8.3%	8.3%	3	33.3%	52.4%	48.8%	64.6%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	1.8%	1.5%
Total	9	100.0%	100.0%	100.0%	100.0%	9	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	25.0%	5.7%
Middle	0	0.0%	0.0%	75.0%	92.5%	0	0.0%	0.0%	25.0%	10.5%
Upper	0	0.0%	0.0%	25.0%	7.5%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	50.0%	83.8%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
HMDA Totals										
Low	0	0.0%	0.0%	0.0%	0.0%	2	6.9%	3.3%	7.2%	3.3%
Moderate	0	0.0%	0.0%	0.0%	0.0%	6	20.7%	11.7%	18.9%	14.0%
Middle	27	93.1%	82.8%	89.9%	89.3%	8	27.6%	22.0%	26.7%	24.4%
Upper	2	6.9%	17.2%	10.1%	10.7%	13	44.8%	63.0%	36.9%	46.2%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	10.3%	12.1%
Total	29	100.0%	100.0%	100.0%	100.0%	29	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)					
Low	0	0.0%	0.0%	0.0%	0.0%					
Moderate	0	0.0%	0.0%	0.0%	0.0%					
Middle	21	95.5%	93.9%	85.6%	85.0%					
Upper	1	4.5%	6.1%	13.4%	14.7%					
Unknown	0	0.0%	0.0%	0.0%	0.0%					
Tract Unknown	0	0.0%	0.0%	1.0%	0.3%					
Total	22	100.0%	100.0%	100.0%	100.0%					
By Revenue										
\$1 Million or Less	12	54.5%	66.5%	39.8%	30.4%					
By Loan Size										
\$100,000 or less	13	59.1%	22.5%	90.8%	31.9%					
\$100,001-\$250,000	6	27.3%	34.7%	5.3%	20.3%					
\$250,001-\$1 Million	3	13.6%	42.8%	3.9%	47.8%					
Total	22	100.0%	100.0%	100.0%	100.0%					

APPENDIX B – Scope of Examination

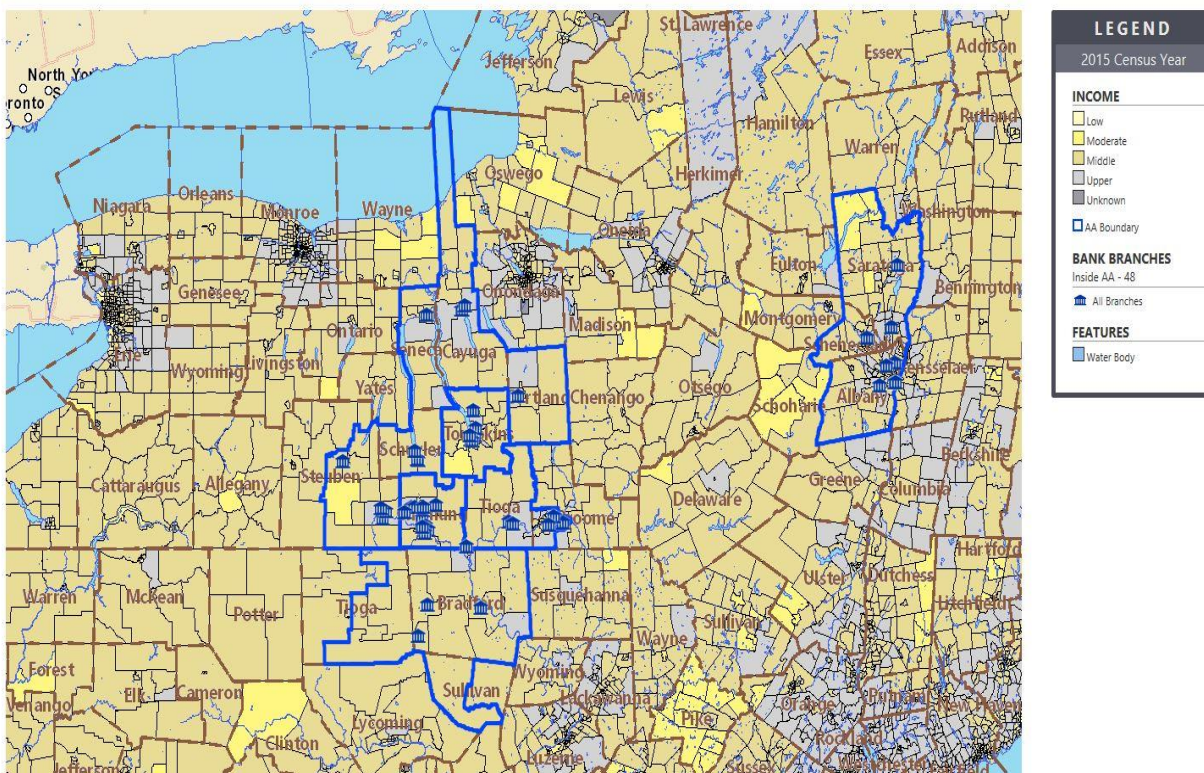
SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED	Lending: January 1, 2017 – December 31, 2018 Community Development Activities: - April 1, 2017 – March 31, 2019		
FINANCIAL INSTITUTION			PRODUCTS REVIEWED
Chemung Canal Trust Company One Chemung Canal Plaza Elmira, NY 14901			<ul style="list-style-type: none"> • Home purchase • Refinance • Home Improvement • Small Business • Community Development
AFFILIATE(S)	AFFILIATE RELATIONSHIP		PRODUCTS REVIEWED
None			
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			

ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
<p>New York</p> <p>MSA 21300 (Elmira, NY)</p> <p>Non Metropolitan New York</p> <p>MSA 13780 (Binghamton, NY)</p> <p>MSA 27060 (Ithaca, NY)</p> <p>MSA 10580 (Albany-Schenectady-Troy, NY)</p>	<p>Full Scope Review</p> <p>Full Scope Review</p> <p>Full Scope Review</p> <p>Full Scope Review</p> <p>Limited Scope Review</p>	<p>Main Office</p>	
<p>Pennsylvania</p> <p>Non-Metropolitan Pennsylvania</p>	<p>Full Scope Review</p>		

APPENDIX C: ASSESSMENT AREA MAP

Chemung Canal Trust Company

Assessment Areas - 2018



APPENDIX D: GLOSSARY

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 metropolitan area/assessment area.

Census tract: A small, relatively permanent statistical subdivision of a county or statistically equivalent entity delineated for data presentation purposes by a local group of census data users or the geographic staff of a regional census center in accordance with Census Bureau guidelines. Designed to be relatively homogeneous units with respect to population characteristics, economic status, and living conditions at the time they are established, census tracts generally contain between 1,000 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries are delineated with the intention of being stable over many decades, so they generally follow relatively permanent visible features. However, they may follow governmental unit boundaries and other invisible features in some instances; the boundary of a state or county (or statistically equivalent entity) is always a census tract boundary.

Community development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

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

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

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.

Distressed or Underserved Non-Metropolitan Middle Income Area: A middle-income, nonmetropolitan geography that is distressed due to economic factors, such as unemployment levels, poverty, or population loss, or is underserved based on population size, density and dispersion.

Family: A family is a group of two or more people related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family.

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

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

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

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancings of home improvement and home purchase loans.

Household: A household consists of all the people who occupy a housing unit. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household. The count of households excludes group quarters.

Limited-scope review: Performance is analyzed using only quantitative factors.

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 metropolitan area/assessment area.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic

and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

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 the 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 multistate 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 multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Small loan(s) to business(es): A loan included in 'loan 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.

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.