

PUBLIC DISCLOSURE

March 26, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Bank of Cattaraugus
RSSD No. 92902

24 Main Street
Cattaraugus, New York 14719

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.

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INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

The major factors supporting the institution's rating follow:

- The loan-to-deposit ratio was less than reasonable given the bank's size, financial condition, and credit needs of the assessment area.
- A substantial majority of loans and other lending-related activities were in the assessment area.
- The distribution of loans to borrowers reflected excellent penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes.

SCOPE OF EXAMINATION

Procedures

Bank of Cattaraugus' ("Cattaraugus") performance was evaluated using the Federal Financial Institutions Examination Council's ("FFIEC's") Interagency CRA Procedures for Small Institutions. Cattaraugus' home purchase, refinance, and home improvement loans were not analyzed due to very low loan volumes during the evaluation period. Cattaraugus is exempt from reporting under the Home Mortgage Disclosure Act since its only branch is located in a Non-metropolitan Statistical Area. A sample of consumer and small business loans originated from January 1, 2016 through December 31, 2017 were analyzed.

Cattaraugus maintains one assessment area consisting of a part of Cattaraugus County, New York, which is located in a Non-metropolitan Statistical Area. Cattaraugus was evaluated using a full-scope review. The following table details the performance criterion and the corresponding evaluation periods used in each analysis.

Performance Criterion	Evaluation Period
Loan-To-Deposit Ratio	August 13, 2012 - December 31, 2017
Lending In the Assessment Area	January 1, 2016 - December 31, 2017
Borrower Distribution of Loans	January 1, 2016 - December 31, 2017
Geographic Distribution of Loans	January 1, 2016 - December 31, 2017
Response to CRA Complaints	August 13, 2012 - December 31, 2017

Products

Retail loan products analyzed during this evaluation included a sample of 93 closed-end consumer loans and a sample of 59 small business loans originated between January 1, 2016, and December 31, 2017. The loan samples were selected using the Board of Governors' sampling procedures, and the integrity of the closed-end consumer and small business loans was verified as part of the onsite evaluation. Home purchase, refinance, home improvement and multifamily loans were excluded from the evaluation as the volumes were too insignificant for analysis.

Lending Distribution Analysis

The evaluation period covered lending for all years between August 13, 2012 and December 31, 2017; however, the primary focus of the lending analysis was conducted on loans originated during 2016 and 2017 in Cattaraugus's assessment area as these years were the most current and reflective of Cattaraugus's lending patterns. Cattaraugus's lending performance in 2016 and 2017 was compared to the 2010 Census data.

To analyze the borrower characteristics of small business loans, the proportion of loans to borrowers with gross annual revenues ("GAR") of \$1 million or less were compared with the proportion of such businesses as reported by Dun and Bradstreet ("D&B"). An analysis of the dollar amount of small business loans was conducted, focusing on credit extensions under \$100,000, which are considered to be responsive to the needs of smaller businesses. For consumer loans, the proportion of originations to low- and moderate-income ("LMI") borrowers was compared with the proportion of LMI households in the assessment area.

Geographic distribution of lending was not evaluated since the assessment area contained no low-or moderate-income geographies and all three census tracts that comprised the assessment area were middle-income geographies.

Peer data was used for the loan-to-deposit ratio analysis. In order to choose banks similarly-situated to Cattaraugus, peer banks were selected based on the amount of deposits and number of branches. Cattaraugus's loan-to-deposit ratio was also compared to its national peer group.

DESCRIPTION OF INSTITUTION

Cattaraugus is a retail bank established in 1882 and operates a single office in the Village of Cattaraugus. The headquarters is located within the Town of New Albion in Cattaraugus County in southwestern New York State. Cattaraugus is not part of a holding company or affiliated with any other institution. Cattaraugus offers a variety of consumer and commercial loan and deposit products. Loan products include personal, business, home mortgage and home improvement loans. Deposit products include checking, savings, and certificate of deposit accounts.

Cattaraugus operates in a moderately competitive market with branches of numerous local and regional banks. Based on the deposits reported to the Federal Deposit Insurance Corporation

(“FDIC”) on June 30, 2017, Cattaraugus had the seventh largest deposit market share (1.9%) in Cattaraugus County.

As of December 31, 2017, Cattaraugus maintained: total assets of \$19.5 million, total loans and leases of \$8.7 million, and total domestic deposits of \$17.7 million. Of the total gross loans and leases, approximately 46.3% were secured by one- to four-family residential real estate. The bank’s loan portfolio is outlined in the below table according to the Consolidated Report of Condition and Income.

LOAN PORTFOLIO SUMMARY		
Loan Type	Dollar Amount* (‘000s)	Percent of Total
Residential Real Estate	4,030	46.3%
Commercial	2,216	25.4%
Agriculture	709	8.1%
Consumer	1,754	20.1%
Other	3	<0.1%
Total Gross Loans and Leases	8,712	100.0%

*Data as of December 31, 2017

Cattaraugus’s previous CRA evaluation was conducted as of August 13, 2012, using the FFIEC’s Interagency CRA Procedures for Small Institutions. The prior evaluation resulted in an overall rating of Outstanding. There were no financial or legal factors that would prevent Cattaraugus from fulfilling its responsibility under CRA.

DESCRIPTION OF NON-METROPOLITAN ASSESSMENT AREA (CATTARAUGUS COUNTY, NY)

The assessment area consists of three middle-income census tracts in Cattaraugus County, New York. Cattaraugus’ assessment area is rural in nature and is not part of a Metropolitan Statistical Area. The assessment area has not changed since the prior CRA evaluation. Cattaraugus’ one office is centrally located within the assessment area.

The assessment area is in compliance with the requirements of Section 228.41 of Regulation BB and does not arbitrarily exclude LMI geographies. A map illustrating the bank’s assessment area is in CRA Appendix B.

PERFORMANCE CONTEXT

The following demographic and economic information was obtained from publicly available sources that included the 2000 Census, 2010 Census, the 2015 American Community Survey (“ACS”), FFIEC, D&B, New York State Association of Realtors (“NYSAR”), U.S. Department of Labor, and the New York State Department of Labor. Although information is gathered from

both the 2000 Census and the 2010 Census, data from the 2010 Census and ACS is emphasized because it is the most recent data available, and it covers the years within the evaluation period.

The Combined Demographics Report table on page 6 provides a summary of demographic information in 2017, which uses 2010 Census and ACS data, related to Cattaraugus' assessment area.

Demographic Characteristics

Cattaraugus' Non-metropolitan assessment area (Cattaraugus County, New York) encompassed three middle-income census tracts within Cattaraugus County, New York during the evaluation period.

According to the 2010 Census and ACS, the population of the assessment area was 13,305, which was a decrease of 326 from the 2000 Census. According to the 2010 Census and ACS, there were 3,597 families in this assessment area while the 2000 Census calculated 3,544 families in the assessment area.

Income Characteristics

The demographics data from the 2010 Census and ACS reflected that all three census tracts are middle-income. This is similar to the 2000 Census data, which also reflected that all three census tracts were middle-income. Of the 3,597 families in the assessment area, 23.1% were low-income, 20.2% were moderate-income, and 11.6% of families live below the poverty level. This is an increase from the 2000 Census data where 18.0% of families were low-income, 21.9% of families were moderate-income, and families below the poverty line were 9.5%. The FFIEC-estimated median family income ("MFI") in 2017 for the New York Non-metropolitan geographies was \$62,500, which is marginally higher than HUD's MFI estimate in 2010 of \$54,294. The 2015 MFI estimate for New York State provided by ACS was \$71,913, and according to the 2010 Census, the MFI for New York State was \$67,405.

Housing Characteristics

According to 2010 Census and ACS data, this assessment area had 6,467 housing units, of which approximately 63.4% were owner-occupied. This reflected an increase from the 2000 Census data, where total housing units equaled 6,169, and 64.9% of those units were owner-occupied housing. The remaining housing in this assessment area consisted of rental housing (16.4%) and vacant properties (20.3%). The 2010 Census and ACS data, estimated that the median age of the housing stock in this assessment area was 46 years, which is less than New York State's median age of housing stock of 55 years.

Housing in the assessment area is generally affordable. According to the NYSAR, the median sales price of an existing single-family home in Cattaraugus County was \$84,000 in 2017, approximately three times the MFI of a low-income borrower and twice the MFI of a moderate-

income borrower. In comparison, the median sales price for a single family home in New York State was \$250,000 in 2017. The affordability ratio in the assessment area is 55.4%, which signifies that housing is generally affordable in the assessment area. Rents are also relatively affordable in the assessment area. The 2010 Census data valued median gross rent for the assessment area at \$596, which is significantly lower compared to the median gross rent of \$977 for New York State.

Labor, Employment and Economic Characteristics

The major industries within Cattaraugus County are government, gaming and entertainment, health care services, as well as manufacturing and retail trade. According to 2017 D&B data, there were 347 businesses operating in the assessment area. Of the total businesses operating in the assessment area, 87.6% were businesses with GAR of \$1 million or less.

The annual unemployment rate for Cattaraugus County demonstrates a generally decreasing trend from 2012 to 2017,

with the unemployment rate at 9.3% in 2012 and 6.2% in 2017. The unemployment rate for New York State is

U.S. Department of Labor Annual Unemployment Rates						
Area	2012	2013	2014	2015	2016	2017
Cattaraugus County	9.3	8.5	7.0	6.3	6.0	6.2
New York State	8.5	7.7	6.3	5.3	4.8	4.7

commensurate with this trend, declining from 8.5% in 2012 to 4.7% in 2017.

Community Contacts

Examiners conducted interviews with two community development organizations in order to gain an understanding of credit needs within the bank’s assessment area. One of the community development organizations is an industrial development agency, while the other community development organization fosters employment, entrepreneurship, planning and tourism in the county. These contacts noted the need for: more lending to start-up businesses, partnerships with land banks to develop vacant property, and the expansion of broadband, financial education, job training, and LMI loan programs.

Combined Demographics Report

Assessment Area(s): Bank of Cattaraugus Assessment Area

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	831	23.1
Moderate-income	0	0.0	0	0.0	0	0.0	726	20.2
Middle-income	3	100.0	3,597	100.0	416	11.6	855	23.8
Upper-income	0	0.0	0	0.0	0	0.0	1,185	32.9
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	3	100.0	3,597	100.0	416	11.6	3,597	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	0	0	0.0	0.0	0	0.0	0	0.0
Middle-income	6,467	4,097	100.0	63.4	1,058	16.4	1,312	20.3
Upper-income	0	0	0.0	0.0	0	0.0	0	0.0
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	6,467	4,097	100.0	63.4	1,058	16.4	1,312	20.3
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		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	347	100.0	304	100.0	21	100.0	22	100.0
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	347	100.0	304	100.0	21	100.0	22	100.0
Percentage of Total Businesses:				87.6		6.1		6.3
	Total Farms by Tract	Farms by Tract & Revenue Size						
		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	64	100.0	64	100.0	0	0.0	0	0.0
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	64	100.0	64	100.0	0	.0	0	.0
Percentage of Total Farms:				100.0		.0		.0

2017 FFIEC Census Data and 2017 D&B Information

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LENDING TEST

Cattaraugus’ record of meeting the credit needs of its assessment area through its lending performance is rated overall satisfactory. Cattaraugus’ loan-to-deposit ratio was less than reasonable, given the institution’s size, financial condition and assessment area credit needs, while a substantial majority of its loans were originated within its assessment area. The overall distribution of loans to borrowers of different income levels and businesses of different sizes was excellent. There were no CRA-related complaints during the review period.

LOAN-TO-DEPOSIT RATIO

Cattaraugus’ loan-to-deposit ratio was less than reasonable given the bank’s size, financial condition, and the credit needs of its assessment area. Cattaraugus’ average loan-to-deposit ratio for the 24 quarters between January 1, 2012 and December 31, 2017 was 45.5%, based on information contained in Cattaraugus’ Consolidated Report of Condition and Income. This ratio was below the national peer average of 60.0% for similarly-sized banks, and below an average of 77.2% for four similarly-situated banks during the evaluation period. However, this is partially mitigated by over \$3 million in preferred deposits, which must be collateralized in accordance with state law, thus restricting their availability for lending. See the table below for loan-to-deposit ratio comparison with four peer institutions.

Comparative Loan-to-Deposit Ratios	
Institution	Loan-to-Deposit Ratio (%)
	24 Quarter Average
Bank of Cattaraugus	45.5
Competitors	
Alden State Bank	78.7
Bank of Akron	85.9
Bank of Holland	70.5
Cattaraugus County Bank	73.8

LENDING IN THE ASSESSMENT AREA

Cattaraugus originated a substantial majority of its loans, 84.9%, by number, and 66.9% by dollar amount in its assessment area, which represented a decrease in loan originations from the prior evaluation, which was 87.7% by number and 79.4% by dollar volume. Cattaraugus originated 87.1% of its consumer loans by number and 67.6% by dollar volume within its assessment area. Additionally, the bank originated 81.4% of its small business loans by number and 66.3% by dollar volume within its assessment area. See the table below for details of the bank’s lending inside and outside of the assessment area.

Lending Inside and Outside the Assessment Area – 2016 & 2017								
Loan Type	Inside				Outside			
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
Consumer Loans	81	87.1	830	67.6	12	12.9	398	32.4
Small Business Loans	48	81.4	1,004	66.3	11	18.6	511	33.7
Total Loans	129	84.9	1,834	66.9	23	15.1	909	33.1

Note: Percentages may not add to 100.0 percent due to rounding.

LENDING TO BORROWERS OF DIFFERENT INCOMES AND TO BUSINESSES OF DIFFERENT SIZES

Lending performance in the assessment area relating to borrower distribution in 2016 and 2017 was excellent overall, and reflected excellent penetration among individuals of all income levels, including LMI individuals, as well as to businesses with GAR of \$1 million or less.

Consumer Lending

The distribution of consumer loans to LMI borrowers was excellent. The level of lending to low- and moderate-income individuals significantly exceeded the demographic measure of percent of households, and indicated that the bank was responsive to the needs of low- and moderate-income borrowers. During 2017, the bank originated 13 consumer loans or 32.5% by number and \$115 thousand or 21.3% by dollar amount to low-income borrowers. The bank originated 17 consumer loans or 42.5% by number and \$290 thousand or 53.5% by dollar amount to moderate-income borrowers. See the table below for distribution of consumer loans in 2017 by borrower income level.

Borrower Distribution of Consumer Loans						
Assessment Area: 2017 Non-MSA (Cattaraugus County)						
Household Income	Borrower Income Levels	Bank & Demographic Comparison				Households by Income Level
		2017				
		Count		Dollar		
		#	%	\$ (000s)	\$ %	%
Totals	Low	13	32.5	115	21.3	22.4
	Moderate	17	42.5	290	53.5	17.9
	Middle	4	10.0	51	9.4	20.6
	Upper	6	15.0	86	15.8	39.1
	Unknown	0	0.0	0	0.0	0.0
	Total		40	100.0	542	100.0

2010 Census and 2015 ACS Data
Note: Percentages may not add to 100.0 percent due to rounding

Small Business Lending

The distribution of loans to businesses of different sizes was excellent. During 2017, the bank originated 29 small business loans, \$656 thousand by dollar amount, of which 100.0 percent were made to businesses with gross revenues of \$1 million or less. The average loan size was

approximately \$23 thousand. All of these loans were in dollar amounts of \$100,000 or less, which is considered most beneficial to small businesses and an identified need according to community contacts. See the table below for small business lending by revenue and loan size.

Small Business Lending By Revenue & Loan Size							
Assessment Area: Non-MSA (Cattaraugus County)							
Product Type		Bank & Demographic Comparison					
		January 1, 2017 through December 31, 2017					
		Count Bank		Dollar Bank		Total Businesses	
		#	%	\$ 000s	\$ %	%	
Small Business	Revenue	\$1 Million or Less	29	100.0	656	100.0	87.6
		Over \$1 Million or Unknown	0	0.0	0	0.0	12.4
		Total	29	100.0	656	100.0	100.0
	Loan Size	\$100,000 or Less	29	100.0	656	100.0	
		\$100,001 - \$250,000	0	0.0	0	0.0	
		\$250,001 - \$1 Million	0	0.0	0	0.0	
		Total	29	100.0	656	100.0	
	Loan Size & Rev \$1 Mill or Less	\$100,000 or Less	29	100.0	656	100.0	
		\$100,001 - \$250,000	0	0.0	0	0.0	
		\$250,001 - \$1 Million	0	0.0	0	0.0	
		Total	29	100.0	656	100.0	

Originations & Purchases
2010 Census Data & 2017 Dun & Bradstreet information according to 2015 ACS
Note: Percentages may not add to 100.0 percent due to rounding

Additional information on small business and consumer loan distribution are found in the Lending Tables in Appendix A.

GEOGRAPHIC DISTRIBUTION OF LOANS

The geographic distribution of lending in the Non-metropolitan (Cattaraugus County, NY) assessment area was not evaluated, since all three of Cattaraugus’ assessment area census tracts are middle-income tracts.

RESPONSE TO COMPLAINTS

Cattaraugus received no complaints relating to the bank’s CRA performance. Since the previous evaluation, there were no CRA-related complaints filed with the Federal Reserve Bank of New York.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Cattaraugus is in compliance with the substantive provisions of the antidiscrimination laws and regulations. No evidence of discriminatory or other illegal credit practices was identified as being inconsistent with helping to meet the credit needs of the assessment area.

CRA APPENDIX A
LENDING TABLES

Small Business Loan Distribution Table - 2017

Assessment Area: Non-MSA (Cattaraugus County)

	CONSUMER LOANS							
	SMALL BUSINESS				SMALL FARM			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	By Tract Income							
Low	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%
Low/Moderate Total	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	29	100.0%	656	100.0%	0	0.0%	0	0.0%
Upper	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%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	29	100.0%	656	100.0%	0	0.0%	0	0.0%
	By Revenue							
Total \$1 Million or Less	29	100.0%	656	100.0%	0	0.0%	0	0.0%
Over \$1 Million	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Not Known	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	29	100.0%	656	100.0%	0	0.0%	0	0.0%
	By Loan Size							
\$100,000 or less	29	100.0%	656	100.0%	0	0.0%	0	0.0%
\$100,001 - \$250,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	29	100.0%	656	100.0%	0	0.0%	0	0.0%
	By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	29	100.0%	656	100.0%	0	0.0%	0	0.0%
\$100,001 - \$250,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	29	100.0%	656	100.0%	0	0.0%	0	0.0%

*Information based on 2015 ACS data

Consumer Loan Distribution Table - 2017

Assessment Area: Non-MSA (Cattaraugus County)

	CONSUMER LOANS							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Consumer Loans							
Low	0	0.0%	0	0.0%	13	50.0%	115	21.3%
Moderate	0	0.0%	0	0.0%	17	40.0%	290	53.5%
Low/Moderate Total	0	0.0%	0	0.0%	30	90.0%	405	74.8%
Middle	40	100.0%	542	100.0%	4	0.0%	51	9.4%
Upper	0	0.00%	0	0.0%	6	10.0%	86	15.8%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	40	100.0%	542	100.0%	40	100.0%	542	100.0%

Small Business Loan Distribution Table - 2016

Assessment Area: Non-MSA (Cattaraugus County)

	CONSUMER LOANS							
	SMALL BUSINESS				SMALL FARM			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	By Tract Income							
Low	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%
Low/Moderate Total	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Middle	19	100.0%	348	100.0%	0	0.0%	0	0.0%
Upper	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%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	19	100.0%	348	100.0%	0	0.0%	0	0.0%
	By Revenue							
Total \$1 Million or Less	19	100.0%	348	100.0%	0	0.0%	0	0.0%
Over \$1 Million	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Not Known	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	19	100.0%	348	100.0%	0	0.0%	0	0.0%
	By Loan Size							
\$100,000 or less	19	100.0%	348	100.0%	0	0.0%	0	0.0%
\$100,001 - \$250,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	19	100.0%	348	100.0%	0	0.0%	0	0.0%
	By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	19	100.0%	348	100.0%	0	0.0%	0	0.0%
\$100,001 - \$250,000	0	0.0%	0	0.0%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	19	100.0%	348	100.0%	0	0.0%	0	0.0%

*Information based on 2015 ACS data

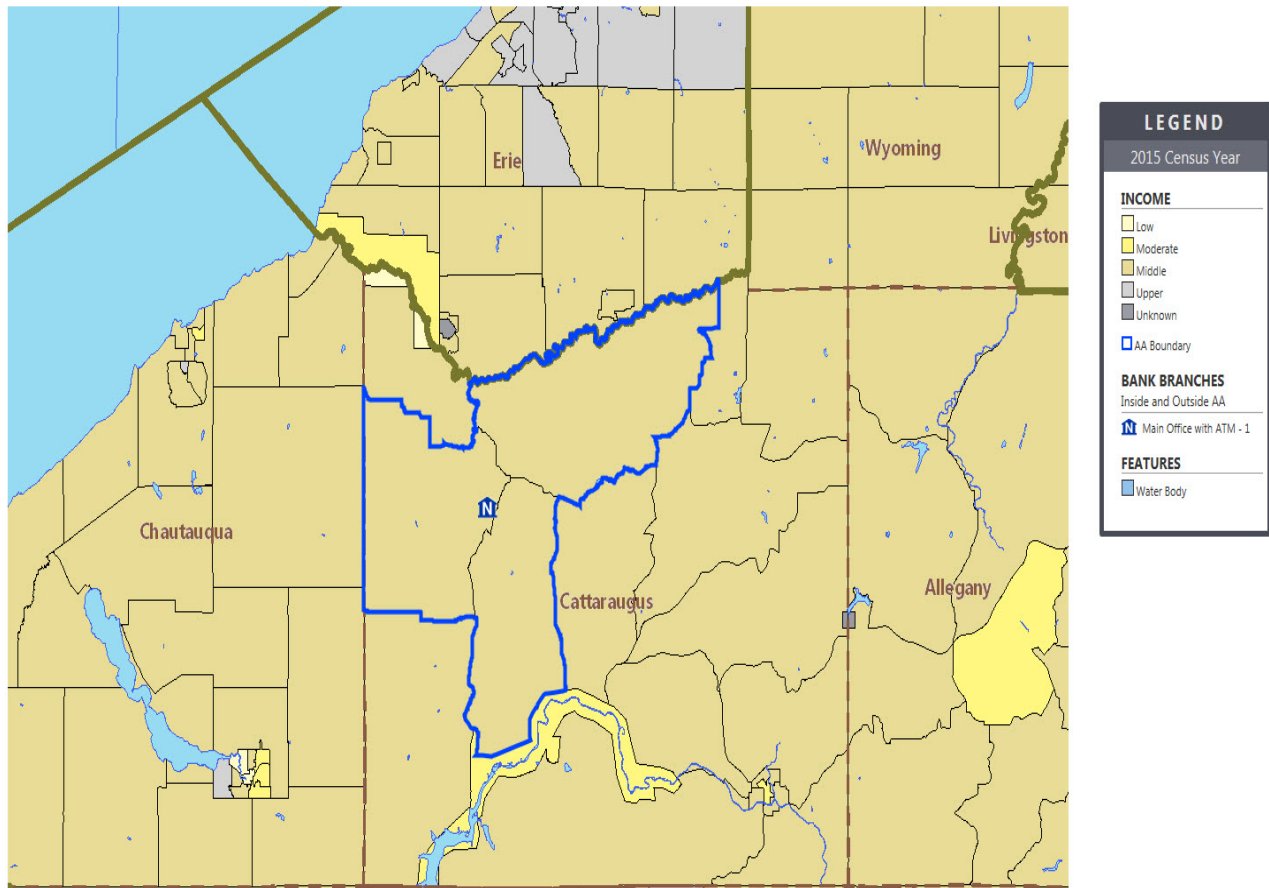
Consumer Loan Distribution Table - 2016

Assessment Area: Non-MSA (Cattaraugus County)

	CONSUMER LOANS							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Consumer Loans							
Low	0	0.0%	0	0.0%	10	24.4%	69	24.0%
Moderate	0	0.0%	0	0.0%	16	39.0%	85	48.6%
Low/Moderate Total	0	0.0%	0	0.0%	26	63.4%	154	53.6%
Middle	41	100.0%	288	100.0%	11	26.8%	84	29.0%
Upper	0	0.00%	0	0.00%	4	9.8%	50	17.4%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	41	100.0%	31	100.0%	41	100.0%	288	100.0%

CRA APPENDIX B

MAP OF ASSESSMENT AREA



CRA APPENDIX C

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-

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

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.

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.

Low-income: Individual income that is less than 50% of the area median income, or a median family income that is less than 50%, in the case of geography.

Metropolitan Statistical Area (“MSA”): A geographic entity defined by the federal Office of Management and Budget for use by federal statistical agencies, based on the concept of a core area with a large population nucleus, plus adjacent communities having a high degree of economic and social integration with that core.

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

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

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.

Small loan(s) to business(es): A loan included in “loans to small businesses” as defined in the Consolidated Report of Condition and Income (“Call Report”) and the Thrift Financial Reporting (“TFR”) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Upper-income: Individual income that is more than 120% of the area median income, or a median family income that is more than 120%, in the case of a geography.