

PUBLIC DISCLOSURE

January 26, 2016

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Alden State Bank
RSSD No. 414102

13216 Broadway
Alden, New York 10045

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 satisfactory performance of Alden State Bank (“Alden”) with regard to the Community Reinvestment Act (“CRA”) is based on the following performance criteria:

- The loan-to-deposit ratio is reasonable given the bank’s size, financial condition, and credit needs of the assessment areas;
- A substantial majority of loans and other lending-related activities are in the assessment areas;
- The distribution of loans to borrowers reflects a reasonable penetration among individuals of different income levels (including low- and moderate-income) and businesses of different sizes;
- The geographic distribution of loans reflects very poor dispersion throughout the assessment areas; and,
- There were no CRA-related complaints filed against the bank since the previous CRA evaluation.

SCOPE OF EXAMINATION

Procedures

Alden’s performance was evaluated using the Federal Financial Institutions Examination Council’s (“FFIEC”) Interagency CRA Procedures for Small Institutions. Home purchase, refinance, and home improvement loans reported under the Home Mortgage Disclosure Act (“HMDA”) and a sample of consumer and small business loans originated from January 1, 2010 through December 31, 2014 were analyzed. Institutions categorized as small banks for the purpose of CRA are permitted to submit community development qualified investments and services. Alden elected not to submit any of these activities for consideration.

Alden maintains two assessment areas: MSA 15380 (Buffalo-Cheektowaga-Niagara Falls, NY), consisting of all of Erie County, will be evaluated using a full-scope review; and, Non-metropolitan New York that consists of all of Genesee and Wyoming Counties, will be evaluated using a limited-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	January 1, 2010 - December 31, 2014
Lending In The Assessment Area	January 1, 2010 - December 31, 2014
Borrower Distribution of Loans	January 1, 2013 - December 31, 2014
Geographic Distribution of Loans	January 1, 2013 - December 31, 2014
Response to CRA Complaints	January 1, 2010 - December 31, 2014

Products

Retail loan products analyzed during this evaluation included home purchase, refinance, and home improvement loans reported under HMDA, as well as a sample of 193 closed-end consumer loans and a sample of 148 small business loans originated between January 1, 2010, and December 31, 2014. The loan samples were selected using the Board of Governors' sampling procedures, and the integrity of the HMDA, closed-end consumer, and small business loans was verified as part of the onsite evaluation. Multifamily loans were excluded from the borrower and geographic distribution evaluations as the volume was too insignificant for analysis.

Lending Distribution Analysis

The evaluation period for this exam covered lending for all years between 2010 and 2014; however, the primary focus of the borrower and geographic lending distribution analysis was conducted on loans originated during 2013 and 2014 in Alden's assessment areas as these years were more current and more reflective of Alden's lending patterns. Alden's lending performance in 2013 and 2014 was compared to the 2010 Census data.

To analyze the borrower characteristics of HMDA-related loans, the proportion of originations to low- and moderate-income ("LMI") borrowers was compared with the proportion of LMI families in the assessment area. Income estimates from the U.S. Department of Housing and Urban Development ("HUD") and FFIEC were used to categorize borrower income. For 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 seen as especially responsive to the needs of smaller businesses. For consumer loans, the proportion of originations to LMI borrowers was compared with the proportion of LMI households in the assessment areas.

For evaluation of the geographic distribution of loans, performance was rated based on penetration in LMI geographies. The proportion of HMDA loan originations in LMI geographies were compared with the proportion of owner-occupied units located in LMI geographies in the assessment areas. For small business loans, the analysis compared the proportion of loan originations with the proportion of businesses located in LMI areas as reported by D&B. The size of the small business loans was also used as a proxy to identify lending to businesses with GAR of \$1 million or less. For consumer loans, the proportion of

originations in low- and moderate-income areas was compared to the proportion of households located in LMI geographies in the assessment area.

Alden’s HMDA and small business lending performance in 2013 and 2014 was also compared respectively to 2013 and 2014 performance of the aggregate of all lenders in the assessment area subject to HMDA and/or CRA small business loan reporting. Aggregate data for consumer lending is not available for analysis.

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

DESCRIPTION OF INSTITUTION

Alden is a retail bank established in 1916 and headquartered in Alden, New York, Alden has two branches, one in Alden and one in Lancaster, in the western portion of New York State in Erie County. Alden 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 money market accounts.

Alden operates in a 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, 2014, Alden has the ninth largest deposit market share (0.66%) in Erie County, which is located in MSA 15380 (Buffalo-Cheektowaga-Niagara Falls, NY).

As of December 31, 2014, Alden maintained total assets of \$270.6 million, total loans and leases of \$189.2 million, and total domestic deposits of \$236.9 million. Of the total gross loans and leases, approximately 73% were secured by one- to four-family residential real estate. Listed below is a table that summarizes the bank’s loan portfolio according to the Consolidated Report of Condition and Income.

LOAN PORTFOLIO SUMMARY		
Loan Type	Dollar Amount* (‘000s)	Percent of Total
Commercial / Industrial & Non-Farm Non Residential Real Estate	41,764	22.06%
Construction & Land Development	1,232	0.65%
Secured by 1-4 Family Residential Real Estate	137,750	72.79%
Multifamily	2,966	1.57%
Consumer	5,446	2.88%
Other	86	0.05%
Total Gross Loans and Leases	189,244	100%

*Data as of December 31, 2014

Alden's previous CRA evaluation was conducted as of December 6, 2010, using the FFIEC's Interagency CRA Procedures for Small Institutions. The prior evaluation resulted in an overall rating of "Satisfactory." There are no financial or legal factors that would prevent Alden from fulfilling its responsibility under CRA.

DESCRIPTION OF ASSESSMENT AREA

At the prior CRA evaluation, Alden maintained one assessment area that consisted of a portion of Erie County in MSA 15380 (Buffalo-Niagara Falls, NY) and non-metropolitan portions of Genesee and Wyoming Counties. For the current CRA evaluation, Alden revised its assessment area to include all of Erie, Genesee and Wyoming Counties. Although the previous assessment area did not extend substantially beyond the MSA boundaries, the revised assessment area does extend substantially beyond the MSA boundaries; therefore, the revised assessment area will be separated into two separate assessment areas located in Western New York State, which is reflected below:

- MSA 15380 (Buffalo-Cheektowaga-Niagara Falls, NY), consisting of all of Erie County.
- Non-metropolitan that consists of all of Genesee County and Wyoming County.

Activity in MSA 15380 accounted for 100% of the branch locations and deposits and 75% of total loans, which is the rationale for conducting a full-review on this assessment area. The following table is a Summary of Key Assessment Area data.

A map illustrating the bank's revised assessment area is in CRA Appendix B.

Summary of Key Assessment Area Data			
	MSA 15380 (Buffalo-Cheektowaga- Niagara Falls, NY)	Non-Metropolitan (Genesee County and Wyoming County)	Totals
Total Population⁴	919,040	102,234	1,021,274
Population % of AA population	90%	10%	100%
Families⁴	231,113	26,559	257,672
Families % of AA families	90%	10%	100%
Total Census Tracts⁴	237	26	263
Tracts % AA tracts	90%	10%	100%
LMI tracts⁴	77	3	80
LMI tracts % all AA LMI tracts	96%	4%	100%
Total Owner-Occupied Units⁴	250,238	29,333	279,571
Units % of AA units	90%	10%	100%
Business Establishments⁵	38,530	3,752	42,282
Bus. est. % AA bus. est.	91%	9%	100%
Number of Branches¹	2	0	2
Branches % all branches	100%	0%	100%
Branches in LMI tracts¹	0	0	0
LMI branches % AA LMI branches	0%	0%	0%
Branch Deposits (\$'000s)²	224,134	0	224,134
Deposits % AA deposits	100%	0%	100%
Deposit Market Share (%) / Rank in Mkt.	0.66/9	0/0	
Home Purchase Originations³	253	60	313
HP originations % AA orig.	81%	19%	100%
Refinance Originations³	488	182	670
Refi orig. % AA orig.	73%	27%	100%
Home Improvement Originations³	545	206	751
Home Improvement orig. % AA orig.	73%	27%	100%
Small Business Originations³	127	17	144
SB orig. % AA orig.	88%	12%	100%
Consumer Loan Originations³	131	58	189
Consumer orig. % AA orig.	69%	31%	100%
Combined Loan Totals	1,544	523	2,067
% of AA Orig.⁽⁶⁾	75%	25%	100%

(1) Branch numbers are as of 12/31/2014. (2) Branch deposits and deposit market share are from the FDIC as of 6/30/14. (3) Originations are loans reported under HMDA and samples of small business and consumer loans for 2010 through 2014. (4) Demographic information was obtained from the 2010 Census. (5) Business establishments information was reported by D&B for 2014.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LENDING TEST

Alden's record of meeting the credit needs of its assessment areas through its lending performance is rated Satisfactory. Alden's loan-to-deposit ratio was reasonable and 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 reasonable. The geographic distribution of loans reflected very poor penetration among geographies of different income levels throughout the bank's assessment area.

LOAN-TO-DEPOSIT RATIO

Alden's loan-to-deposit ratio was reasonable given the bank's size, financial condition, and the credit needs of its assessment area. Alden's average loan-to-deposit ratio for the 20 quarters between January 1, 2010 and December 31, 2014 was 75%, based on information contained in Alden's Consolidated Report of Condition and Income. This ratio was comparable to the national peer average of 76% for similarly-sized banks, and comparable to an average of 77% for four similarly-situated banks located in Alden's assessment area during the evaluation period.

LENDING IN THE ASSESSMENT AREA

Alden originated a substantial majority of its loans, 95.8%, by number, and 93.8% by dollar amount, overall, in its assessment areas which represents an increase in loan originations from the prior evaluation which was 76.0% by number and 65.0% by dollar volume. For each loan category, Alden originated 95.4% of its HMDA-related loans, 97.9% of its consumer loans, and 97.3% of its small business loans by number, 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

January 1, 2010 - December 31, 2014

Loan Type - Description	Inside				Outside				Total			
	#	%	\$(000s)	%	#	%	\$(000s)	%	#	%	\$(000s)	%
Consumer Loans	189	97.9	1,063	98.7	4	2.1	14	1.3	193	100.0	1,077	100.0
Total Consumer related	189	97.9	1,063	98.7	4	2.1	14	1.3	193	100.0	1,077	100.0
Home Purchase - Conventional	313	89.2	46,086	88.8	38	10.8	5,821	11.2	351	100.0	51,907	100.0
Home Improvement	751	96.4	19,889	94.8	28	3.6	1,081	5.2	779	100.0	20,970	100.0
Multi-Family Housing	8	100.0	2,653	100.0	0	0.0	0	0.0	8	100.0	2,653	100.0
Refinancing	670	97.4	60,646	96.6	18	2.6	2,128	3.4	688	100.0	62,774	100.0
Total HMDA related	1,742	95.4	129,274	93.5	84	4.6	9,030	6.5	1,826	100.0	138,304	100.0
SB - Small Business	144	97.3	19,997	96.0	4	2.7	831	4.0	148	100.0	20,828	100.0
Total Small Bus. related	144	97.3	19,997	96.0	4	2.7	831	4.0	148	100.0	20,828	100.0
TOTAL LOANS	2,075	95.8	150,335	93.8	92	4.2	9,875	6.2	2,167	100.0	160,210	100.0

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

Lending performance in the assessment area relating to borrower distribution in 2014 and 2013 was reasonable overall, and reflected reasonable penetration among individuals of all income levels, including LMI individuals, as well as businesses with GAR of \$1 million or less.

GEOGRAPHIC DISTRIBUTION OF LOANS

Lending performance in Alden's assessment area relating to geographic distribution in 2014 and 2013 was very poor overall, and reflected very poor penetration among individuals residing in LMI geographies. This was primarily based on the penetration of loans in geographies of different income levels in MSA 15380 (Buffalo-Cheektowaga-Niagara Falls, NY). Alden's very poor performance in LMI geographies is due in part to the bank's size, small branch network and competition from large regional and national financial institutions operating in those areas.

RESPONSE TO COMPLAINTS

Alden 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

The fair lending review performed concurrently with this evaluation identified a substantive violation of the Equal Credit Opportunity Act and Regulation B. The violation was isolated in nature. Alden's board of directors will be required to take action to address the violation and implement controls to prevent such a violation in the future. The CRA rating was not adjusted downward from Satisfactory.

METROPOLITAN AREA

MSA 15380 (Buffalo-Cheektowaga-Niagara Falls, NY)

Full Review

DESCRIPTION OF INSTITUTION'S OPERATIONS IN METROPOLITAN AREA MSA 15380 (Buffalo-Cheektowaga-Niagara Falls, NY)

As of December 31, 2014, Alden operated both of its retail branches in MSA 15380 (Buffalo-Cheektowaga-Niagara Falls, NY), and Alden's banking activities within its assessment areas were primarily conducted within this MSA. As of December 31, 2014, these branches generated \$236.9 million in deposits, which accounts for 100% of the bank's total deposits. Of the bank's total HMDA loans (excluding multifamily) originated in the assessment areas during the review period (1,734), 74.2% (1,286) were originated in this assessment area. Of the selected sample of consumer loans originated in the assessment areas (189), 69.3% (131) were originated in this assessment area. Of the selected sample of small business loans (144), 88.2% (127) were originated in this assessment area. For additional assessment area data, see the Summary of Key Assessment Area Data table on page 5 and the performance context information below.

PERFORMANCE CONTEXT

The following demographic and economic information was obtained from publicly available sources that include the 2000 Census, 2010 Census, the American Community Survey ("ACS"), FFIEC, New York State Association of Realtors, 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 will be emphasized because it is the most recent data available, and it covers the majority of years within the evaluation period.

Demographic Characteristics

Alden's MSA 15380 (Buffalo-Cheektowaga-Niagara Falls, NY) assessment area encompassed 243 census tracts in 2010 and 2011, 236 census tracts in 2012, and 237 census tracts in 2013 and 2014. The decrease in the number census tracts is the result of a realignment of tracts based on the U.S. Department of Commerce's 2010 Census. In 2014 and 2013, this assessment area included 30 low-income census tracts, 47 moderate-income census tract, 93 middle-income census tracts, 61 upper-income census tracts, and 6 unknown-income census tracts. In 2012, there was one less unknown-income census tract. According to the U.S. Department of Commerce's 2000 Census data, in 2011 and 2010, there were 25 low-income census tracts, 51 moderate-income census tracts, 106 middle-income census tracts, 51 upper-income census tracts, and 10 unknown-income census tracts.

According to the 2010 Census, the population of the assessment area is 919,040, which is a decrease of 31,225 from the 2000 Census. This assessment area represents 90% of the

population of bank's entire assessment area population. According to the 2010 Census, there are 231,113 families in this assessment area while the 2000 Census calculated 244,376 families in the assessment area.

Income Characteristics

The demographics data from the 2010 Census reflects that out of the 237 census tracts located in the assessment area, 30 (12.7%) are low-income and 47 (19.8%) are moderate-income. This is similar to the 2000 Census data where 10.3% were low-income and 21.0% were moderate-income. Of the 231,113 families in the assessment area, 21.6% are low-income, 17.1% are moderate-income, and 10.1% of families live below the poverty level. This is similar to 2000 Census data where 20.4% of families were low-income, 17.8% of families were moderate-income, and families below the poverty line were 9.2%. The FFIEC estimated median family income ("MFI") in 2014 for MSA 15380 was \$63,900, which is marginally higher than HUD's MFI estimate in 2010 of \$62,530. The 2014 MFI estimate for New York State provided by ACS was \$71,115, and according to the 2010 Census, the MFI for New York State was \$67,405.

Housing Characteristics

According to 2010 Census data, this assessment area has 420,432 housing units, of which approximately 59.5% are owner-occupied. Of the owner-occupied units in the assessment area, 5.3% of units are located in low-income census tracts, and 14.5% of units are located in moderate-income census tracts. This reflects an increase from the 2000 Census data, where total housing units equaled 415,868, and similarly, 59.8% of those units were owner-occupied housing. The 2000 Census data reflected owner-occupied housing stock in low-income and moderate-income census tracts as 4.5% and 13.1%, respectively. According to the 2010 Census data, the remaining housing in this assessment area consists of rental housing (30.4%) and vacant properties (10.1%). The 2010 Census data estimated that the median age of the housing stock in this assessment area is 57, which is slightly higher than New York State's median age of housing stock of 55.

Housing in the assessment area is generally affordable, although according to community contacts, affordable housing and loans for home improvement remain a pressing need. According to the New York State Association of Realtors, the median sales price of an existing single-family home in MSA 15380 was \$129,000 in 2014, approximately four times the MFI of a low-income borrower and two and a half times the MFI of a moderate-income borrower. In comparison, the median sales price for a single family home in New York State was \$225,000 in 2014. The affordability ratio in the assessment area is 40.2%, 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 as \$686, which is significantly lower compared to the median gross rent of \$977 for New York State.

Labor, Employment and Economic Characteristics

The major industries surrounding Alden are the services industry, including social assistance and health care services, as well as manufacturing and retail trade. As of 2014, there were 38,530 businesses operating in the assessment area, of which 7.6% were located in low-income areas, and 14.3% were situated in moderate-income areas. Of the total businesses operating in the assessment area, 87.4% were businesses with GAR of \$1 million or less.

The annual unemployment rate for MSA 15380 demonstrates a decreasing trend from 2010 to 2014, with the unemployment rate at 8.6% in 2010 and 6.2% in 2014. The unemployment rate for New York State is commensurate with this trend, declining from 8.6% in 2010 to 6.3% in 2014.

U.S. Department of Labor Annual Unemployment Rates					
Area	2010	2011	2012	2013	2014
MSA 15380	8.6	8.2	8.5	7.6	6.2
New York State	8.6	8.3	8.5	7.7	6.3

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 a leading advocate for quality affordable housing while the other community development organization improves its community’s well-being. These contacts mentioned the need for affordable housing, home improvement loans, and credit counseling.

The Demographics Report table below provides a summary of demographic information in 2014, which uses 2010 Census data, related to Alden’s assessment area.

Demographics Report - 2014

Assessment Area: MSA 15380 (Buffalo-Cheektowaga-Niagara Falls, NY)

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	30	12.7	22,167	9.6	8,846	39.9	49,936	21.6
Moderate-income	47	19.8	37,712	16.3	7,195	19.1	39,537	17.1
Middle-income	93	39.2	85,020	36.8	5,195	6.1	46,874	20.3
Upper-income	61	25.7	86,214	37.3	2,127	2.5	94,766	41
Unknown-income	6	2.5	0	0	0	0	0	0
Total Assessment Area	237	100.0	231,113	100.0	23,363	10.1	231,113	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	52,935	13,265	5.3	25.1	26,740	50.5	12,930	24.4
Moderate-income	84,180	36,391	14.5	43.2	34,778	41.3	13,011	15.5
Middle-income	151,394	100,031	40	66.1	41,795	27.6	9,568	6.3
Upper-income	131,923	100,551	40.2	76.2	24,529	18.6	6,843	5.2
Unknown-income	0	0	0	0	0	0	0	0
Total Assessment Area	420,432	250,238	100.0	59.5	127,842	30.4	42,352	10.1
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	2,933	7.6	2,424	7.2	407	11.5	102	7.7
Moderate-income	5,516	14.3	4,678	13.9	612	17.3	226	17
Middle-income	14,744	38.3	12,712	37.8	1,496	42.3	536	40.3
Upper-income	15,231	39.5	13,767	40.9	1,010	28.5	454	34.1
Unknown-income	106	0.3	78	0.2	15	0.4	13	1
Total Assessment Area	38,530	100.0	33,659	100.0	3,540	100.0	1,331	100.0
	Percentage of Total Businesses:			87.4		9.2		3.5

Based on 2010 ACS Information.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA IN METROPOLITAN AREA MSA 15380 (Buffalo-Cheektowaga-Niagara Falls, NY)

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

Lending performance in the assessment area relating to borrower distribution in 2014 and 2013 was reasonable overall, and reflected reasonable penetration among individuals of all income levels (including LMI individuals), as well as businesses with GAR of \$1 million or less. See the Aggregate Comparison Loan Distribution tables and the Consumer Loan Distribution tables in CRA Appendix A for details of the bank's 2014 and 2013 loan distribution by borrower income and business revenue size. An analysis of the lending in each loan category follows.

Home Purchase Loans

Alden's distribution of home purchase loans to LMI borrowers was reasonable based on reasonable home purchase lending to both low- and moderate-income borrowers. In 2014, Alden

originated 10.1% by number and 4.9% by dollar volume of its home purchase loans to low-income borrowers, compared to 21.6% of low-income families residing in the assessment area. The bank's 2014 home purchase lending to low-income borrowers exceeded the aggregate, which originated 6.4% by number and 3.2% by dollar volume of its home purchase loans to low-income borrowers in 2014. Alden's 2013 home purchase lending to low-income borrowers equaled 6.9% by number and 2.1% by dollar volume, which was slightly below the aggregate which originated 7.4% by number and 3.7% by dollar volume of its home purchase loans to low-income borrowers.

Alden originated 17.4% by number and 9.2% by dollar volume of its home purchase loans to moderate-income borrowers in 2014, compared to 17.1% of moderate-income families residing in the assessment area. Home purchase lending to moderate-income borrowers was below aggregate, which originated 23.4% by number and 15.7% by dollar volume of its home purchase loans to moderate-income borrowers in 2014. Alden's 2013 home purchase lending to moderate-income borrowers was below 2014 home purchase lending at 6.9% by number and 3.5% by dollar volume of loans to moderate-income borrowers, and significantly below the 2013 aggregate at 22.4% by number and 15.6% by dollar volume. Although Alden's lending to moderate-income borrowers was below the aggregate in 2013 and 2014, both the volume and dollar amounts of lending to moderate-income borrowers improved significantly from 2013 to 2014. Additionally, Alden's 2014 lending activity by number to moderate-income borrowers was consistent with the demographics, which supports reasonable lending to moderate-income borrowers.

Refinance Loans

Alden's distribution of refinance loans to LMI borrowers was reasonable based on reasonable refinance lending to low-income borrowers and excellent lending to moderate-income borrowers. In 2014, Alden originated 7.5% by number and 2.4% by dollar volume of its refinance loans to low-income borrowers, compared to 21.6% of low-income families residing in the assessment area. The bank's refinance lending to low-income borrowers was generally favorable to the aggregate, which originated 6.0% by number and 3.1% by dollar volume of its refinance loans to low-income borrowers in 2014. Alden's refinance lending to low-income borrowers in 2013 was more favorable. In 2013, the bank made 9.7% by number and 8.3% by dollar volume of its refinancing loans to low-income borrowers which exceeded the aggregate which made 4.9% by number and 2.0% by dollar volume of its loans to low-income borrowers.

Alden originated 20.9% by number and 13.2% by dollar volume of its refinance loans to moderate-income borrowers in 2014, compared to 17.1% of moderate-income families residing in the area. Refinance lending to moderate-income borrowers exceeded the aggregate, which originated 17.1% by number and 12.1% by dollar volume of its refinance loans to moderate-income borrowers in 2014. Alden's refinance lending to moderate-income borrowers in 2013 was higher than its refinance lending in 2014. In 2013, Alden originated 25.8% by number and 14.3% by dollar volume of its refinance loans to moderate income borrowers which exceeded the

aggregate which originated 15.4% by number and 8.4% by dollar volume of loans to moderate-income borrowers.

Home Improvement Loans

Alden's distribution of home improvement loans to LMI borrowers was reasonable based on reasonable home improvement lending to both low- and moderate-income borrowers. In 2014, Alden originated 19.6% by number and 3.9% by dollar volume of its home improvement loans to low-income borrowers, compared to 21.6% of low-income families residing in the assessment area. The bank's home improvement lending to low-income borrowers was favorable to the aggregate, which originated 12.9% by number and 4.4% by dollar volume of its home improvement loans to low-income borrowers in 2014. In 2013, Alden originated 14.1% by number and 11.4% by dollar volume of its home improvement loans to low-income borrowers, which was above the aggregate, which originated 11.7% by number and 4.2% by dollar volume of its home improvement loans to low-income borrowers.

Alden originated 21.6% by number and 29.6% by dollar volume of its home improvement loans to moderate-income borrowers in 2014, compared to 17.1% of moderate-income families residing in the area. Home improvement lending to moderate-income borrowers was slightly below the aggregate, which originated 24.1% by number and 15.6% by dollar volume of its home improvement loans to moderate-income borrowers in 2014. Alden's 2013 home improvement lending to moderate-income borrowers was higher at 27.2% by number and 12.2% by dollar volume and above the aggregate, which originated 24.1% by number and 12.1% by dollar volume of its loans to moderate-income borrowers.

Consumer Loans

Alden's distribution of consumer loans to LMI borrowers in 2014 was excellent based on excellent performance in lending to both low- and moderate-income borrowers. Based on the sample, Alden made 63.2% by number and 26.5% by dollar volume of its consumer loans to low-income borrowers and 31.6% by number and 47.2% by dollar volume of its consumer loans to moderate-income borrowers. Demographics data from 2010 reflect that 25.2% of households in the assessment area are of low-income, while 15.4% are of moderate-income. Performance in 2013 was slightly lower for low-income and moderate-income borrowers at 48.0% and 28.0% by number and 40.3% and 27.2% by dollar volume respectively. Aggregate data for consumer lending is not available for analysis.

Small Business Loans

Alden's distribution of loans to small businesses of different sizes was reasonable based on reasonable lending to businesses with GAR of \$1 million or less. In 2014, Alden originated 85.2% of its small business loans accounting for 76.1% of the dollar volume to businesses with GAR of \$1 million or less, compared to 87.4% of such businesses operating in the assessment area. Alden's performance was significantly above the aggregate, which reported 41.3% of its

loans and 26.2% of its dollar volume to small businesses with GAR of \$1 million or less. Of the bank’s total small business loans made in 2014, 66.7% were in amounts of \$100,000 or less, which was below the aggregate’s 92.5% of small business loans in amounts of \$100,000 or less. The comparison of loans in the amount of \$100,000 or less is skewed as the aggregate includes large national credit card lenders, which are typically offered in smaller dollar amounts. Alden’s 2013 small business lending was comparable to its lending in 2014. In 2013, Alden originated 82.8% of its small business loans accounting for 79.9% of the dollar volume to businesses with GAR of \$1 million or less, compared to 87.6% of such businesses operating in the assessment area. Alden’s performance was significantly above the aggregate, which reported 40.6% of its loans and 31.1% of its dollar volume to small businesses with GAR of \$1 million or less. Of the bank’s total small business loans made in 2013, 51.7% were in amounts of \$100,000 or less, which was below the aggregate’s 91.8% of small business loans in amounts of \$100,000 or less.

Geographic Distribution of Loans

Alden’s geographic distribution of loans reflects very poor penetration in LMI geographies. Alden demonstrated a high level of lending gaps in low- and moderate-income geographies. The majority of loans originated by Alden during the evaluation period were in upper-income geographies. In 2013, Alden originated no loans in low-income geographies and in 9% of the moderate-income geographies. In 2014, Alden originated loans in 7% of the low-income geographies and in 15% of the moderate-income geographies. The chart below is a summary of the analysis of lending gaps in the assessment area.

Tract Income Levels	Number of Tracts	Tracts with no Loans	Penetration
2013			
Low	30	30	0%
Moderate	47	43	9%
Middle	93	66	29%
Upper	61	29	52%
Income Unknown	6	6	0%
2014			
Low	30	28	7%
Moderate	47	40	15%
Middle	93	64	31%
Upper	61	23	62%
Income Unknown	6	6	0%

See the Aggregate Comparison Loan Distribution tables and the Consumer Loan Distribution tables in CRA Appendix A for details of the bank’s 2014 and 2013 loan distribution by geography. An analysis of the lending in each loan category follows.

Home Purchase Loans

Alden's distribution of home purchase loans to LMI geographies was poor based on very poor home purchase lending to borrowers located in low-income census geographies and poor lending to borrowers located in moderate-income geographies. In 2014, Alden originated only one loan or 1.4% of its home purchase loans, accounting for 0.3% of the dollars, to borrowers located in low-income geographies, compared to 5.3% of owner-occupied units in low-income geographies in the assessment area. The bank's 2014 home purchase lending to borrowers situated in low-income geographies was below the aggregate, which originated 2.3% of its home purchase loans, accounting for 1.3% of the dollars, to borrowers located in low-income geographies in 2014. Alden's 2013 home purchase lending to borrowers located in low-income geographies was less favorable as no borrowers in low-income geographies received home purchase loans.

Alden originated 7.2% of its home purchase loans, accounting for 2.8% of the dollars, to borrowers located in moderate-income geographies in 2014, compared to 14.5% of owner-occupied housing in moderate-income geographies residing in the area. Home purchase lending to borrowers located in moderate-income geographies was below aggregate, which originated 12.0% of its home purchase loans, accounting for 7.7% of the dollars, to borrowers located in moderate-income geographies in 2014. Alden's 2013 home purchase lending to borrowers situated in moderate-income geographies was below 2014 home purchase lending at 3.4% of loans and 2.0% of the dollars to borrowers located in moderate-income geographies. In 2013, the aggregate originated 11.8% of its loans and 7.4% of the dollars in moderate-income geographies, which was above Alden's performance.

Refinance Loans

Alden's distribution of refinance loans to borrowers residing in LMI geographies was poor based on very poor refinance lending to borrowers located low-income geographies and poor lending to borrowers located in moderate-income geographies. In 2014, Alden originated none of its refinance loans to borrowers situated in low-income geographies, compared to 5.3% of owner-occupied housing in low-income geographies in the assessment area. The bank's refinance lending to borrowers located in low-income geographies was below the aggregate, which originated 2.0% of its refinance loans to borrowers located in low-income geographies in 2014. Alden's refinance lending to borrowers located in low-income geographies in 2013 was similar as no loans were originated to borrowers located in low-income geographies.

Alden originated 1.5% of its refinance loans and 1.0% of the dollars to borrowers located in moderate-income geographies in 2014, compared to 14.5% of owner-occupied housing in moderate-income geographies in the area. Refinance lending to borrowers located in moderate-income geographies was significantly below the aggregate, which originated 11.3% of its refinance loans for 7.3% of the dollars to borrowers situated in moderate-income geographies in 2014. Alden's refinance lending to borrowers in moderate-income geographies in 2013 was similar as 1.1% of refinance loans and 3.0% of the dollars were originated to borrowers located

in moderate-income geographies. This was below the aggregate, which originated 7.8% of its refinance loans, accounting for 3.8% of the dollars in moderate-income geographies.

Home Improvement Loans

Alden's distribution of home improvement loans to borrowers located in LMI geographies was very poor based on very poor home improvement lending to borrowers located in low-income geographies and very poor lending to borrowers situated in moderate-income geographies. In 2014 and 2013, Alden originated none of its home improvement loans to borrowers situated in low-income geographies, compared to 5.3% of owner-occupied housing in low-income geographies in the assessment area. While the bank made no home improvement loans to borrowers located in low-income geographies, the aggregate originated 7.1% and 5.9% of its home improvement loans to borrowers situated in low-income geographies in 2014 and 2013 respectively.

In 2014, Alden originated none of its home improvement loans to borrowers located in moderate-income geographies while the aggregate made 16.5%. The number of owner-occupied housing in moderate-income geographies equaled 14.5%. In 2013, Alden made one or 1.1% by number and less than 1% by dollar volume of its home improvement loans to borrowers located in moderate-income census geographies. The aggregate made 15.7% of its home improvement loans, for 7.7% of the dollars, to borrowers in moderate-income geographies.

Consumer Loans

Alden's distribution of consumer loans to borrowers in LMI geographies was very poor for the evaluation period. Based on the sample, in 2014 Alden originated only one loan, which equaled 5.3% by number and less than 1% by dollar volume of its consumer loans, to borrowers located in low-income geographies. Alden made no consumer loans in LMI geographies in 2013. Based on demographic data, 10.6% of household are located in low-income geographies and 18.8% of households are located in moderate-income census tracts. Aggregate data for consumer lending is not available for analysis.

Small Business Loans

Alden's distribution of loans to small businesses in LMI geographies was very poor based on very poor lending to businesses with GAR of \$1 million or less located in LMI geographies. In 2014, Alden originated none of its small business loans to businesses with GAR of \$1 million or less located in low-income geographies, compared to 7.6% of such businesses operating in the low-income geographies. Aggregate small business lending totaled 6.3% by number and 8.2% by dollar volume of its loans to small businesses with GAR of \$1 million or less in low-income geographies. Performance in 2013 was similar as no loans were originated to businesses with GAR of \$1 million or less in low-income geographies. The aggregate reported 6.6% by number and 6.3% by dollar volume of its loans to small businesses with GAR of \$1 million or less in low-income geographies.

In 2014, Alden originated 3.7% of its small business loans, for 2.6% of the dollars, to businesses with GAR of \$1 million or less located in moderate-income geographies compared to 14.3% of such businesses operating in the moderate-income geographies. Alden's performance was significantly below the aggregate, which reported 13.4% of its loans, for 18.0% of the dollars, to small businesses with GAR of \$1 million or less in moderate-income geographies. In 2013 Alden made no loan originations to businesses with GAR of \$1 million or less in moderate-income geographies.

**NON-METROPOLITAN AREA
Genesee County and Wyoming County**

Limited Review

**DESCRIPTION OF INSTITUTION'S OPERATION IN NON-METROPOLITAN AREA
(GENESEE COUNTY AND WYOMING COUNTY)**

A limited evaluation of Alden's performance in the non-metropolitan assessment area was completed. As of December 31, 2014, Alden did not operate any branches in this assessment area. Of the bank's total HMDA loans (excluding multifamily) originated in the assessment areas during the evaluation period (1,734), 25.8% (448) were originated in the Non-metropolitan assessment area. Of the selected sample of consumer loans originated in the assessment areas (189), 30.7% (58) were originated in the Non-metropolitan assessment area. Of the selected sample of small business loans (144), 11.8% (17) were originated in the Non-metropolitan assessment area. For additional assessment area data, see the Summary of Key Assessment Area Data table on page 5 and the performance context information below.

Alden's Non-metropolitan assessment area encompassed 26 census tracts from 2010 to 2014. In 2014, 2013 and 2012 this assessment area includes no low-income census tracts, 3 moderate-income census tracts, 18 middle-income census tracts, 5 upper-income census tracts, and no unknown-income census tracts. According to the 2000 Census data, in 2011 and 2010, there were no low-income census tracts, one moderate-income census tract, 19 middle-income census tracts, 6 upper-income census tracts, and no unknown-income census tracts.

According to the 2010 Census, the population of this assessment area equals 102,234. The number of families that reside in this non-metropolitan assessment area is 26,559, and total number of owner-occupied units equals 29,333. According to D&B, 3,752 businesses are located in this assessment area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NON-METROPOLITAN AREA (GENESEE COUNTY AND WYOMING COUNTY)

The bank's performance in the assessment area was evaluated using limited-scope evaluation procedures. Alden's performance in the Non-metropolitan assessment area was consistent with its overall satisfactory performance in MSA 15380 (Buffalo-Cheektowaga-Niagara Falls, NY), which was based on the full-scope assessment area performance. Lending performance in the assessment area relating to borrower distribution in 2014 and 2013 was reasonable overall, and reflected reasonable penetration among individuals of all income levels (including LMI individuals), as well as businesses with GAR of \$1 million or less. Alden's geographic distribution of loans reflects very poor penetration throughout this assessment area, including LMI census geographies. Conclusions regarding performance in this limited-scope review did not materially impact the bank's overall rating.

Conclusions regarding the bank's CRA performance are based on facts and data reviewed, including performance and demographic information. See the Aggregate Comparison Loan Distribution tables and the Consumer Loan Distribution tables in CRA Appendix A for details of the bank's 2014 and 2013 performance.

CRA APPENDIX A
LENDING TABLES

2014 Aggregate Comparison Loan Distribution Table

Assessment Area: MSA 15380 (Buffalo-Cheektowaga-Niagara Falls, NY)

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	Bank		Aggregate			Bank		Aggregate		
	#	%	% \$(000s)	%	% \$(000s)	#	%	% \$(000s)	%	% \$(000s)
Home Purchase										
Low	1	1.4%	0.3%	2.3%	1.3%	7	10.1%	4.9%	6.4%	3.2%
Moderate	5	7.2%	2.8%	12.0%	7.7%	12	17.4%	9.2%	23.4%	15.7%
Middle	24	34.8%	26.9%	42.3%	33.9%	15	21.7%	15.3%	22.1%	20.6%
Upper	39	56.5%	70.1%	43.4%	57.1%	25	36.2%	48.2%	32.3%	45.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	10	14.5%	22.5%	15.8%	14.7%
<i>Total</i>	<i>69</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>69</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>
Refinance										
Low	0	0.0%	0.0%	2.0%	1.1%	5	7.5%	2.4%	6.0%	3.1%
Moderate	1	1.5%	1.0%	11.3%	7.3%	14	20.9%	13.2%	17.1%	12.1%
Middle	35	52.2%	43.7%	41.7%	35.4%	13	19.4%	13.0%	22.6%	19.6%
Upper	31	46.3%	55.4%	44.9%	56.2%	26	38.8%	54.7%	36.6%	47.6%
Unknown	0	0.0%	0.0%	0.0%	0.0%	9	13.4%	16.7%	17.8%	17.6%
<i>Total</i>	<i>67</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>67</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>
Home Improvement										
Low	0	0.0%	0.0%	7.1%	5.5%	19	19.6%	3.9%	12.9%	4.4%
Moderate	0	0.0%	0.0%	16.5%	8.1%	21	21.6%	29.6%	24.1%	15.6%
Middle	57	58.8%	41.4%	43.4%	41.3%	28	28.9%	36.5%	22.6%	20.9%
Upper	40	41.2%	58.6%	33.0%	45.1%	24	24.7%	22.0%	35.3%	51.2%
Unknown	0	0.0%	0.0%	0.0%	0.0%	5	5.2%	8.0%	5.1%	7.9%
<i>Total</i>	<i>97</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>97</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>
Multi-Family										
Low	0	0.0%	0.0%	9.2%	1.4%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	23.0%	6.1%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	34.5%	20.1%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	33.3%	72.5%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	100.0%	100.0%
<i>Total</i>	<i>0</i>	<i>0.0%</i>	<i>0.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>0</i>	<i>0.0%</i>	<i>0.0%</i>	<i>100.0%</i>	<i>100.0%</i>
HMDA Totals										
Low	1	0.4%	0.1%	2.8%	1.3%	31	13.3%	3.9%	6.9%	2.9%
Moderate	6	2.6%	1.8%	12.3%	7.5%	47	20.2%	12.9%	21.8%	13.3%
Middle	116	49.8%	34.4%	42.2%	33.0%	56	24.0%	16.9%	22.2%	18.2%
Upper	110	47.2%	63.6%	42.7%	58.2%	75	32.2%	47.5%	33.4%	41.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	24	10.3%	18.8%	15.6%	24.2%
<i>Total</i>	<i>233</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>233</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>	<i>100.0%</i>
SMALL BUSINESS										
By Tract Income										
	#	Bank			Aggregate					
		%	% \$(000s)		%	% \$(000s)				
Low	0	0.0%	0.0%		6.3%	8.2%				
Moderate	1	3.7%	2.6%		13.4%	18.0%				
Middle	12	44.4%	44.2%		36.4%	37.1%				
Upper	14	51.9%	53.2%		42.7%	36.2%				
Unknown	0	0.0%	0.0%		0.1%	0.1%				
Tract Unknown	0	0.0%	0.0%		1.2%	0.4%				
<i>Total</i>	<i>27</i>	<i>100.0%</i>	<i>100.0%</i>		<i>100.0%</i>	<i>100.0%</i>				
By Revenue										
\$1 Million or Less	23	85.2%			41.3%			26.2%		
By Loan Size										
\$100,000 or less	18	66.7%			92.5%			29.0%		
\$100,001-\$250,000	5	18.5%			3.5%			15.2%		
\$250,001-\$1 Million	4	14.8%			4.0%			55.8%		
<i>Total</i>	<i>27</i>	<i>100.0%</i>			<i>100.0%</i>			<i>100.0%</i>		

Originations and Purchases

Consumer Loan Distribution Table - 2014

Assessment Area: MSA 15380 (Buffalo-Cheektowaga-Niagara Falls, NY)

	CONSUMER LOANS							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Consumer Loans							
Low	1	5.3%	1	0.6%	12	63.2%	45	26.5%
Moderate	0	0.0%	0	0.0%	6	31.6%	81	47.2%
Low/Moderate Total	1	5.3%	1	0.6%	18	94.7%	126	73.7%
Middle	7	36.8%	65	37.8%	0	0.0%	0	0.0%
Upper	11	57.9%	105	61.6%	1	5.3%	45	26.3%
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%	171	100.0%	19	100.0%	171	100.0%

2013 Aggregate Comparison Loan Distribution Table

Assessment Area: MSA 15380 (Buffalo-Cheektowaga-Niagara Falls, NY)

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	% S(000s)	Aggregate %	% S(000s)	#	Bank %	% S(000s)	Aggregate %	% S(000s)
Home Purchase										
Low	0	0.0%	0.0%	2.7%	1.2%	4	6.9%	2.1%	7.4%	3.7%
Moderate	2	3.4%	2.0%	11.8%	7.4%	4	6.9%	3.5%	22.4%	15.6%
Middle	24	41.4%	38.3%	41.5%	33.9%	27	46.6%	36.8%	24.2%	22.5%
Upper	32	55.2%	59.7%	44.0%	57.5%	22	37.9%	56.5%	30.9%	44.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	1.7%	1.2%	15.1%	13.9%
Total	58	100.0%	100.0%	100.0%	100.0%	58	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	1.7%	6.3%	9	9.7%	8.3%	4.9%	2.0%
Moderate	1	1.1%	3.0%	7.8%	3.8%	24	25.8%	14.3%	15.4%	8.4%
Middle	63	67.7%	58.9%	38.5%	31.4%	25	26.9%	23.0%	24.3%	16.2%
Upper	29	31.2%	38.1%	52.0%	58.4%	28	30.1%	38.4%	40.8%	40.7%
Unknown	0	0.0%	0.0%	0.0%	0.0%	7	7.5%	15.9%	14.6%	32.7%
Total	93	100.0%	100.0%	100.0%	100.0%	93	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	5.9%	2.0%	13	14.1%	11.4%	11.7%	4.2%
Moderate	1	1.1%	0.2%	15.7%	7.7%	25	27.2%	12.2%	24.1%	12.1%
Middle	62	67.4%	73.9%	42.4%	35.7%	24	26.1%	30.5%	27.4%	26.4%
Upper	29	31.5%	25.9%	36.0%	54.6%	25	27.2%	37.7%	32.9%	50.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	5	5.4%	8.1%	4.0%	7.3%
Total	92	100.0%	100.0%	100.0%	100.0%	92	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	8.2%	7.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	24.5%	9.2%	0	0.0%	0.0%	0.0%	0.0%
Middle	1	50.0%	16.9%	38.8%	36.6%	0	0.0%	0.0%	0.0%	0.0%
Upper	1	50.0%	83.1%	28.6%	47.2%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	2	100.0%	100.0%	100.0%	100.0%
Total	2	100.0%	100.0%	100.0%	100.0%	2	100.0%	100.0%	100.0%	100.0%
HMDA Totals										
Low	0	0.0%	0.0%	2.6%	3.7%	26	10.6%	5.4%	6.7%	2.8%
Moderate	4	1.6%	2.1%	10.6%	6.0%	53	21.6%	8.5%	19.7%	11.7%
Middle	150	61.2%	48.6%	40.4%	33.0%	76	31.0%	27.7%	24.4%	18.9%
Upper	91	37.1%	49.3%	46.4%	57.3%	75	30.6%	42.9%	34.7%	40.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	15	6.1%	15.4%	14.4%	25.9%
Total	245	100.0%	100.0%	100.0%	100.0%	245	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank %	% S(000s)	Aggregate %	% S(000s)					
Low	0	0.0%	0.0%	6.6%	6.3%					
Moderate	0	0.0%	0.0%	12.9%	16.5%					
Middle	15	51.7%	25.6%	37.2%	37.3%					
Upper	14	48.3%	74.4%	41.8%	39.5%					
Unknown	0	0.0%	0.0%	0.1%	0.1%					
Tract Unknown	0	0.0%	0.0%	1.3%	0.4%					
Total	29	100.0%	100.0%	100.0%	100.0%					
By Revenue										
\$1 Million or Less	24	82.8%	79.9%	40.6%	31.1%					
By Loan Size										
\$100,000 or less	15	51.7%	9.8%	91.8%	29.9%					
\$100,001-\$250,000	6	20.7%	16.6%	4.3%	18.0%					
\$250,001-\$1 Million	8	27.6%	73.6%	4.0%	52.1%					
Total	29	100.0%	100.0%	100.0%	100.0%					

Originations and Purchases

Consumer Loan Distribution Table - 2013

Assessment Area: MSA 15380 (Buffalo-Cheektowaga-Niagara Falls, NY)

	CONSUMER LOANS							
	By Tract Income				By Borrower Income			
	#	%	\$ (000s)	%	#	%	\$ (000s)	%
	Consumer Loans							
Low	0	0.0%	0	0.0%	12	48.0%	47	40.3%
Moderate	0	0.0%	0	0.0%	7	28.0%	32	27.2%
Low/Moderate Total	0	0.0%	0	0.0%	19	76.0%	79	67.5%
Middle	16	64.0%	73	62.5%	5	20.0%	30	25.9%
Upper	9	36.0%	44	37.5%	1	4.0%	8	6.6%
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	25	100.0%	117	100.0%	25	100.0%	117	100.0%

2014 Aggregate Comparison Loan Distribution Table
Assessment Area: Non-Metropolitan (Genesee County and Wyoming County)

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%	4	21.1%	12.7%	5.9%	3.9%
Moderate	0	0.0%	0.0%	7.0%	6.0%	2	10.5%	6.2%	24.3%	19.7%
Middle	13	68.4%	75.2%	71.0%	68.8%	5	26.3%	22.4%	28.7%	29.8%
Upper	6	31.6%	24.8%	21.9%	25.2%	6	31.6%	44.2%	23.1%	30.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	2	10.5%	14.5%	18.0%	16.3%
Total	19	100.0%	100.0%	100.0%	100.0%	19	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	5.1%	2.9%
Moderate	0	0.0%	0.0%	4.4%	3.7%	3	15.8%	7.9%	17.0%	12.3%
Middle	17	89.5%	77.1%	73.9%	73.3%	6	31.6%	25.6%	24.4%	20.0%
Upper	2	10.5%	22.9%	21.8%	23.0%	10	52.6%	66.6%	39.8%	51.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	13.7%	13.8%
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%	0.0%	0.0%	7	17.5%	9.7%	11.4%	6.0%
Moderate	0	0.0%	0.0%	2.8%	2.9%	11	27.5%	18.7%	23.4%	14.3%
Middle	26	65.0%	83.0%	77.5%	78.4%	14	35.0%	42.8%	25.9%	24.3%
Upper	14	35.0%	17.0%	19.6%	18.7%	6	15.0%	22.5%	33.9%	45.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	2	5.0%	6.4%	5.4%	10.4%
Total	40	100.0%	100.0%	100.0%	100.0%	40	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%	66.7%	96.7%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	33.3%	3.3%	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%	11	14.1%	6.9%	6.7%	3.6%
Moderate	0	0.0%	0.0%	5.4%	4.9%	16	20.5%	9.4%	22.0%	16.6%
Middle	56	71.8%	77.6%	73.1%	71.4%	25	32.1%	27.8%	26.9%	25.6%
Upper	22	28.2%	22.4%	21.5%	23.6%	22	28.2%	48.9%	30.0%	37.4%
Unknown	0	0.0%	0.0%	0.0%	0.0%	4	5.1%	7.0%	14.5%	16.8%
Total	78	100.0%	100.0%	100.0%	100.0%	78	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank		Aggregate				Aggregate		
		%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	
Low	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%	6.0%	0.0%	9.2%	
Middle	1	100.0%	100.0%	100.0%	100.0%	69.8%	68.8%			
Upper	0	0.0%	0.0%	0.0%	0.0%	21.5%	21.5%			
Unknown	0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
Tract Unknown	0	0.0%	0.0%	0.0%	0.0%	2.7%	0.5%			
Total	1	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%			
By Revenue										
\$1 Million or Less	1	100.0%	100.0%	100.0%	100.0%	50.2%	35.5%			
By Loan Size										
\$100,000 or less	0	0.0%	0.0%	0.0%	0.0%	88.5%	31.1%			
\$100,001-\$250,000	0	0.0%	0.0%	0.0%	0.0%	7.2%	24.3%			
\$250,001-\$1 Million	1	100.0%	100.0%	100.0%	100.0%	4.4%	44.7%			
Total	1	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%			

Originations and Purchases

Consumer Loan Distribution Table - 2014

Assessment Area: Non-Metropolitan (Genesee County and Wyoming County)

	CONSUMER LOANS							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Consumer Loans							
Low	0	0.0%	0	0.0%	3	33.3%	14	24.7%
Moderate	0	0.0%	0	0.0%	2	22.2%	5	8.0%
Low/Moderate Total	0	0.0%	0	0.0%	5	55.6%	19	32.6%
Middle	5	55.6%	42	73.6%	2	22.2%	7	12.7%
Upper	4	44.4%	15	26.4%	2	22.2%	31	54.6%
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	9	100.0%	57	100.0%	9	100.0%	57	100.0%

2013 Aggregate Comparison Loan Distribution Table
Assessment Area: Non-Metropolitan (Genesee County and Wyoming County)

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%	2.9%	1.7%	1	8.3%	2.9%	7.2%	3.9%
Moderate	0	0.0%	0.0%	9.4%	6.6%	0	0.0%	0.0%	24.9%	19.3%
Middle	8	66.7%	72.3%	56.8%	54.2%	4	33.3%	26.5%	24.1%	23.6%
Upper	4	33.3%	27.7%	30.9%	37.4%	5	41.7%	50.5%	31.5%	42.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	2	16.7%	20.1%	12.3%	10.7%
Total	12	100.0%	100.0%	100.0%	100.0%	12	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	2.0%	4.3%	9	27.3%	11.7%	5.1%	2.4%
Moderate	1	3.0%	1.5%	8.2%	7.4%	10	30.3%	33.5%	17.3%	11.2%
Middle	26	78.8%	80.5%	56.3%	51.7%	7	21.2%	21.7%	25.0%	19.2%
Upper	6	18.2%	18.0%	33.5%	36.5%	6	18.2%	32.3%	38.1%	38.2%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	3.0%	0.7%	14.6%	29.0%
Total	33	100.0%	100.0%	100.0%	100.0%	33	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	1.6%	1.2%	6	14.6%	12.2%	9.8%	4.4%
Moderate	0	0.0%	0.0%	8.4%	7.1%	9	22.0%	11.6%	20.5%	13.5%
Middle	26	63.4%	79.8%	62.4%	59.2%	10	24.4%	22.5%	25.9%	23.5%
Upper	15	36.6%	20.2%	27.6%	32.5%	13	31.7%	51.9%	40.7%	53.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	3	7.3%	1.8%	3.1%	5.6%
Total	41	100.0%	100.0%	100.0%	100.0%	41	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	19.6%	4.6%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	22.2%	4.6%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	44.3%	57.8%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	13.9%	33.0%	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%	2.4%	3.1%	16	18.6%	9.5%	6.4%	3.0%
Moderate	1	1.2%	0.8%	8.8%	7.0%	19	22.1%	19.8%	20.8%	14.3%
Middle	60	69.8%	78.1%	56.9%	53.3%	21	24.4%	23.1%	24.5%	20.4%
Upper	25	29.1%	21.1%	31.8%	36.6%	24	27.9%	41.4%	35.2%	38.9%
Unknown	0	0.0%	0.0%	0.0%	0.0%	6	7.0%	6.2%	13.1%	23.3%
Total	86	100.0%	100.0%	100.0%	100.0%	86	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank		Aggregate		Bank		Aggregate		
		%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	%	% \$(000s)	
Low	0	0.0%	0.0%	0.0%	0.0%	6.5%	8.6%			
Moderate	0	0.0%	0.0%	0.0%	0.0%	11.8%	12.6%			
Middle	1	25.0%	59.8%	52.4%	53.8%					
Upper	3	75.0%	40.2%	27.2%	24.5%					
Unknown	0	0.0%	0.0%	0.0%	0.0%					
Tract Unknown	0	0.0%	0.0%	0.0%	0.0%	2.1%	0.6%			
Total	4	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%			
By Revenue										
\$1 Million or Less	4	100.0%	100.0%	44.1%	32.1%					
By Loan Size										
\$100,000 or less	4	100.0%	100.0%	90.6%	26.1%					
\$100,001-\$250,000	0	0.0%	0.0%	4.4%	16.6%					
\$250,001-\$1 Million	0	0.0%	0.0%	4.9%	57.3%					
Total	4	100.0%	100.0%	100.0%	100.0%					

Originations and Purchases

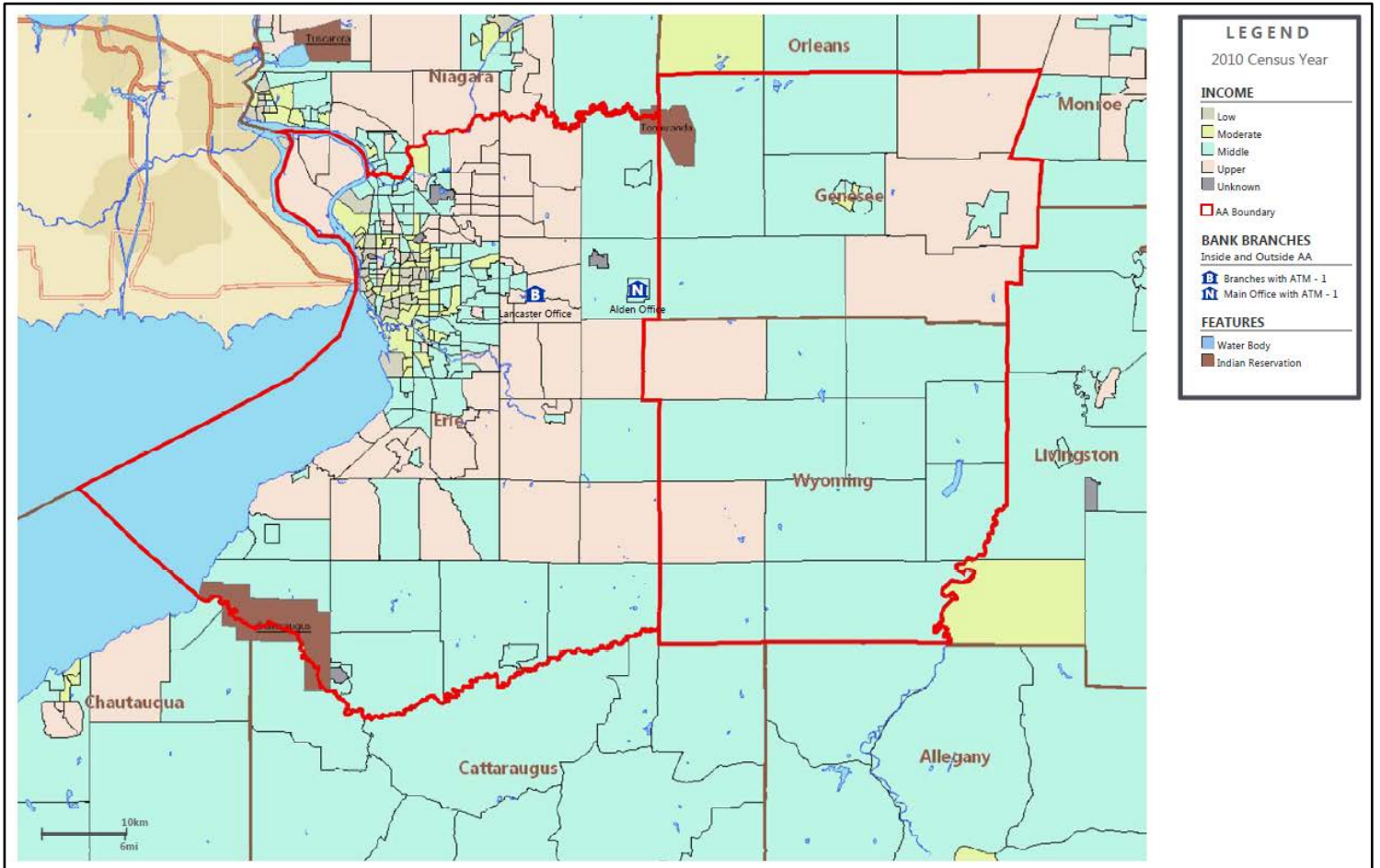
Consumer Loan Distribution Table - 2013

Assessment Area: Non-Metropolitan (Genesee County and Wyoming County)

	CONSUMER LOANS							
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	Consumer Loans							
Low	0	0.0%	0	0.0%	5	50.0%	14	46.5%
Moderate	0	0.0%	0	0.0%	4	40.0%	15	48.6%
Low/Moderate Total	0	0.0%	0	0.0%	9	90.0%	29	95.1%
Middle	5	50.0%	18	57.8%	0	0.0%	0	0.0%
Upper	5	50.0%	13	42.2%	1	10.0%	2	4.9%
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	10	100.0%	31	100.0%	10	100.0%	31	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.