

PUBLIC DISCLOSURE

June 17, 2002

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

**Manufacturers and Traders Trust Company
RSSD No. 501105**

**One M&T Plaza
Buffalo, New York 14203**

**Federal Reserve Bank of New York
33 Liberty Street
New York, New York 10038**

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 RATING

INSTITUTION'S CRA RATING: Manufacturers and Traders Trust Company is rated "OUTSTANDING."

The following table indicates the performance level of the institution with respect to the lending, investment and service tests.

PERFORMANCE LEVELS	<u>MANUFACTURERS AND TRADERS TRUST COMPANY</u>		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding	X	X	X
High Satisfactory			
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

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

Major factors supporting the institution's rating follow:

- The bank's lending activity demonstrated excellent responsiveness to retail credit needs in its assessment areas when measured in terms of the number and dollar amount of loans reported under the Home Mortgage Disclosure Act ("HMDA"), as well as loans reported for small business, that were originated or purchased by the bank.
- The level of community development lending was excellent and responsive to assessment area credit needs.
- The bank's level of qualified investments was excellent.
- Delivery systems were readily accessible to geographies and individuals of different income levels in the bank's assessment areas.
- Distribution of loans across geographies of different income levels was good.
- Distribution of loans among borrowers of different income levels and businesses of different sizes was good.

INSTITUTION

DESCRIPTION OF INSTITUTION

Manufacturers and Traders Trust Company (“M&T”) is the principal subsidiary of M&T Bank Corporation, a New York State-based bank holding company operating in New York, Pennsylvania, Maryland and West Virginia. Headquartered in Buffalo, New York, M&T is a full-service commercial bank with \$30.8 billion in assets as of December 31, 2001.

The bank and its affiliates provide a broad range of financial, commercial and retail services to individuals, corporations, professional clients, governmental entities and financial institutions. Bank services include loans, deposits, trust, mortgage banking, asset management and other financial services. M&T affiliates relevant to this examination include M&T Mortgage Corporation (“MTM”), a residential mortgage lender and wholly owned subsidiary of the bank; M&T Real Estate, Inc. (“MTRE”), a commercial mortgage lender and wholly owned subsidiary of the bank, and M&T Bank, N.A. (“MTNA”), an originator of consumer and small business credit cards, and a wholly owned subsidiary of the holding company.

Since the previous CRA examination of M&T two years ago, M&T Bank Corporation completed two acquisitions that resulted in an expanded assessment area in part of CMSA 5602 (New York-Northern New Jersey-Long Island, NY-NJ-CT); a greatly expanded assessment area in Pennsylvania, well beyond MSA 7560 (Scranton-Wilkes-Barre-Hazleton, PA), which was M&T’s assessment area at the previous CRA examination; and entry into markets in Maryland and West Virginia. Specifics of the acquisitions follow:

- On October 6, 2000, Keystone Financial, Inc., headquartered in Harrisburg, Pennsylvania, was acquired, and its banking subsidiary, Keystone Financial Bank, N.A. (“Keystone”) was merged with M&T. Keystone’s assets at the time of the acquisition totaled \$7.4 billion, of which \$4.8 billion were net loans and leases. Deposits totaled \$5.2 billion.
- On February 9, 2001, M&T Bank Corporation acquired Premier National Bancorp, Inc. (“Premier”), headquartered in Lagrangeville (Dutchess County), New York. The holding company’s banking subsidiary, Premier National Bank, was merged into M&T Bank. Premier’s assets at the time of the merger totaled \$1.8 billion, including net loans and leases of \$1 billion. Premier’s deposits totaled \$1.5 billion.

As of December 31, 2001, M&T’s net loans and leases were \$24.1 billion and represented 78 percent of the bank’s assets. The loan portfolio includes real estate loans totaling \$15.4 billion (64 percent), commercial loans of \$5 billion (21 percent), and individual loans of \$3.2 billion (13 percent). All other loans account for the remaining 2 percent of the portfolio. Based on data supplied by the Federal Deposit Insurance Corporation (“FDIC”) for FDIC-insured institutions operating in each state as of

June 30, 2001, M&T is the sixth largest bank in New York State with a 3 percent market share. In Pennsylvania, M&T is the fifth largest bank with a 3 percent market share. In the states of Maryland and West Virginia, M&T ranks 19th and 62nd in deposit market share, respectively, with less than 1 percent in each state.

At this examination, M&T had four rating areas encompassing 31 assessment areas. They include:

New York State

- A portion of CMSA 5602 (New York-Northern New Jersey-Long Island, NY-NJ-CT)
- MSA 1280 (Buffalo-Niagara Falls, NY)
- MSA 6840 (Rochester, NY)
- A portion of MSA 8160 (Syracuse, NY)
- MSA 0160 (Albany-Schenectady-Troy, NY)
- MSA 8680 (Utica-Rome, NY)
- MSA 0960 (Binghamton, NY)
- MSA 3610 (Jamestown, NY)
- A portion of MSA 2335 (Elmira, NY)
- Contiguous Non-MSA County Group A (Seneca and Tompkins Counties and a portion of Cortland County)
- Contiguous Non-MSA County Group B (Wyoming and Cattaraugus Counties and portions of Steuben and Allegany Counties)
- Contiguous Non-MSA County Group C (Sullivan and Ulster Counties)

Pennsylvania

- A portion of CMSA 6162 (Philadelphia-Wilmington-Atlantic City, PA-NJ-DE-MD)
- MSA 3240 (Harrisburg-Lebanon-Carlisle, PA)
- MSA 7560 (Scranton-Wilkes-Barre-Hazleton, PA)
- MSA 0280 (Altoona, PA)
- MSA 8050 (State College, PA)
- MSA 6680 (Reading, PA)
- A portion of MSA 4000 (Lancaster, PA)

- MSA 9280 (York, PA)
- MSA 0240 (Allentown-Bethlehem-Easton, PA)
- MSA 9140 (Williamsport, PA)
- Contiguous Non-MSA County Group A (Bradford, Sullivan and Tioga Counties)
- Contiguous Non-MSA County Group B (Northumberland, Schuylkill, Clearfield, Clinton, Montour, Snyder and Union Counties)
- Contiguous Non-MSA County Group C (Franklin and Adams Counties)
- Non-MSA Bedford County
- Non-MSA Huntingdon County
- Non-MSA Monroe County

Maryland

- Part of CMSA 8872 (Washington, D.C.-Baltimore, MD)
- Non-MSA Garrett County

Interstate PMSA 1900 (Cumberland, MD-WV)

M&T's assessment areas comply with the requirements of Section 228.41 of Regulation BB and do not arbitrarily exclude any low- or moderate-income ("LMI") geographies. The maps in Appendix E illustrate M&T's assessment areas in New York, Pennsylvania, Maryland and Interstate PMSA 1900 (Cumberland, MD-WV).

M&T's extensive 442-branch network (as of December 31, 2002) provides the base for \$20.4 billion in domestic deposits, of which \$17.3 are considered core deposits. The bank's branch network includes 254 branches located in New York State (57 percent), 162 branches in Pennsylvania (37 percent), 23 in Maryland (5 percent) and 3 branches in West Virginia (less than 1 percent). M&T has the fourth largest branch network in New York State and the fifth largest in Pennsylvania, based on data supplied by the FDIC for FDIC-insured institutions operating in each state as of June 30, 2001.

M&T's previous CRA examination was conducted as of April 3, 2000, at which time the bank also received an overall rating of "outstanding." There are no financial or legal factors that would prevent M&T from fulfilling its responsibilities under the CRA.

SCOPE OF EXAMINATION

This examination covers the evaluation period of January 1, 2000, through December 31, 2001. Using the Federal Financial Institutions Examinations Council's *Interagency Community Reinvestment Act Procedures and Guidelines for Large Retail Institutions*, full scope reviews were conducted for 13 assessment areas. The combined full scope assessment areas represent 74 percent of the bank's branches and 84 percent of the branch deposits as of June 30, 2001. These assessment areas include 75 percent of the bank's home purchase lending, 74 percent of the refinance lending, 78 percent of the home improvement lending, and 82 percent of the small business lending reviewed at this examination. In demographic terms, the assessment areas represent 84 percent of the population, 84 percent of the families, 85 percent of the census tracts, 80 percent of the owner-occupied units and 85 percent of the business establishments in the combined assessment area.

The overall rating was heavily influenced by M&T's performance in New York State, the bank's primary business base, with 57 percent of the branches and 71 percent of the branch deposits. In addition, the New York State assessment area represents 82 percent of the home purchase loans, 58 percent of refinance loans, 66 percent of home improvement loans, and 87 percent of small business loans analyzed at this examination. The assessment areas in Maryland and Interstate PMSA 1900 (Cumberland, MD-WV) had negligible impact on the overall rating because of limited bank presence and limited lending activity.

The evaluation of M&T's CRA performance included analyses of home purchase loans, refinance loans ("refinancings"), home improvement loans and small business loans. A meaningful analysis of small farm loans was not possible because of the low volume of loans originated. Similarly, except for CMSA 5602 (New York-Northern New Jersey-Long Island, NY-NJ-CT), the low volume of originations did not allow for a useful analysis of multifamily loans.

In evaluating the bank's refinance lending performance, examiners considered M&T's strategy of downplaying this product (resulting in minimal advertising to promote refinancings). While refinance loan volumes increase during interest rate declines, most refinancings at M&T are extended to keep existing customers who would otherwise prepay and go to other lenders.

Comparisons with demographic information used in arriving at conclusions relative to loan distribution across census tracts of different income levels was based on data available from the 1990 Census. Comparisons with demographic information used in arriving at conclusions relative to the distribution of loans among borrowers of different income levels was based on 2000 and 2001 HUD-adjusted data, as applicable. Comparisons of bank performance with aggregate performance data was based on aggregate data from 2000, the most recent data available.

Examiners conducted seven interviews with community contacts in the bank's primary assessment areas of New York and Pennsylvania, and reviewed 11 community contact forms prepared by the Office of Thrift Supervision. In addition, four community contact forms recently prepared by the Federal Reserve Bank of Richmond were reviewed for the Maryland and West Virginia assessment areas.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

M&T's record of meeting the credit needs of its assessment areas through its lending activities is rated "outstanding" based on the following factors:

- outstanding performance in the New York State assessment area, the bank's primary assessment area,
- outstanding performance in the Pennsylvania assessment area, and
- good performance in the Maryland and the Interstate PMSA 1900 assessment areas.

Appendix D tables contain the facts and data used to evaluate the bank's lending test performance in the selected assessment areas. Lending activity is depicted in Table 1, geographic distribution in Tables 2-7, and borrower characteristics are depicted in Tables 8-12. Each rated assessment area has its own set of tables.

Lending Activity: M&T's lending activity showed excellent responsiveness to retail credit needs in the bank's assessment areas when measured in terms of the number and dollar amount of HMDA-related and small business loans originated or purchased.

This conclusion is based on excellent lending activity in the assessment areas of New York State, which represents 78 percent of the HMDA-related and small business lending activity at this examination, good lending activity in the Pennsylvania and Maryland assessment areas, representing 20 percent and 1 percent, respectively, and adequate lending activity in the Interstate PMSA 1900 assessment area with 1 percent of lending activity.

M&T's retail branch network is a key component of the bank's home purchase, refinance and small business lending as many representatives for these business lines are based at the branches. Approximately 40 percent of mortgage loan originations are generated through the branches. The remainder is generated through brokers. M&T does not heavily promote its refinance product, but it does offer refinancings to keep existing customers who otherwise could prepay and refinance with other institutions during interest rate declines.

As shown in Exhibit 1, the bank presented 57,885 loans totaling approximately \$6.9 billion for the evaluation period. Of that total, the bank reported 47 percent of the loans, the mortgage corporation reported 45 percent, the real estate corporation less than 1 percent, and MTNA 8 percent. Except for 5,203 mortgage loans purchased by the mortgage corporation from a wide variety of outside lenders, all other affiliate loans represented originations.

EXHIBIT 1				
Summary of Lending Activity				
Loan Type	#	%	\$ ('000s)	%
HMDA home purchase	22,421	39	2,541,509	37
HMDA refinancings	10,949	19	1,146,064	16
HMDA home improvement	4,276	7	65,226	1
HMDA multifamily	246	--	616,742	9
Total HMDA-related	37,892	65	4,369,541	63
Total small business	19,890	35	2,543,783	37
Total small farm	103	--	10,348	--
TOTAL LOANS	57,885	100	6,923,672	100

Note: Affiliate loans include only loans originated or purchased within the bank's assessment areas.

Compared with the previous examination period (1998-1999), HMDA-related lending increased, although rising interest rates in 2000 negatively impacted such lending, particularly refinancings. Much of the increased HMDA-related volume, as well as the increase in small business lending, resulted from the mergers with Keystone and Premier.

Assessment Area Concentration: A substantial portion of the bank's loan originations and purchases were made in the assessment areas. Specifically, 89 percent of the number and 85 percent of the dollar amount were generated in the assessment areas as detailed below. Loans the bank originated or purchased are included in the analysis. The bank originates all small business loans except for credit card loans. HMDA-related loans reported by the bank generally included non-conforming accommodation loans that remain in the bank's loan portfolio. Of the bank's HMDA-related loans, 1,194 (12 percent) were purchased from MTM.

The information reflected in the lending volume tables in Appendix D represent in-assessment area loans only (both bank and affiliate). Geographic and borrower analysis is conducted on in-assessment area loans only.

EXHIBIT 2								
Lending Inside and Outside the Assessment Area								
	Inside				Outside			
	#	%	\$(‘000s)	%	#	%	\$(‘000s)	%
HMDA home purchase	2,853	81	304,958	71	684	19	122,438	29
HMDA refinancings	3,155	88	249,384	76	439	12	77,139	24
HMDA home improvement	4,115	96	61,963	96	156	4	2,777	4
HMDA multifamily	18	75	15,036	75	6	25	4,998	25
Total HMDA-related	10,141	89	631,341	75	1,285	11	207,352	25
Total small business	13,874	89	2,212,448	88	1,661	11	287,964	12
Total small farm	103	84	10,348	82	20	16	2,262	18
TOTAL LOANS	24,118	89	2,854,137	85	2,966	11	497,578	15

Note: Affiliate loans not included.

Geographic and Borrower Distribution: The geographic distribution of loans was good, based on good distribution in New York State, Pennsylvania and Interstate PMSA 1900 (Cumberland, MD-WV), and adequate distribution in Maryland. Loans were well-disbursed, and no assessment areas displayed significant lending gaps in contiguous geographies that were not explained by performance context.

The distribution of loans among borrowers of different income levels and businesses of different sizes was also good, based on good distribution in all assessment areas.

Various innovative and flexible lending products served to enhance the level of lending in LMI geographies and to LMI borrowers. A number of responsive products were targeted to specific community credit needs in the bank’s various assessment areas.

In all assessment areas, M&T offered an innovative Fannie Mae product called “Get Started.” This affordable biweekly fixed-rate mortgage program features below-market interest rates, reduced down payment requirements, optional, unsecured M&T installment loans to finance closing costs, and pre-purchase counseling. This product resulted in 674 mortgages totaling \$40 million throughout all assessment areas during the evaluation period. In the Pennsylvania assessment areas, the bank offered “Opportunity Loan,” a special mortgage product targeted to LMI home buyers.

In addition, M&T offered Federal Housing Administration (“FHA”) mortgages throughout the assessment areas and State of New York Mortgage Association (“SONYMA”) mortgages in New York State. Both are flexible mortgage products that can assist LMI borrowers.

Community Development Lending: M&T’s community development lending performance was excellent based on excellent performance in New York State, Pennsylvania and Interstate PMSA 1900, and good performance in Maryland. During the evaluation period, 173 qualified community development loan commitments totaling \$294 million were extended. In addition, the bank issued \$35

million in letters of credit to support affordable housing, economic development and community services initiatives. For details on community development loans in each assessment area, see the four lending volume tables numbered "1" in Appendix D.

M&T's community development lending was responsive to community credit needs. Affordable housing initiatives totaled \$153 million or 52 percent of total activity. According to the community contacts consulted, financing for affordable housing is an important credit need in all the bank's primary assessment areas. Lending for community services totaled \$62 million, or 21 percent of total activity, and loans supporting economic development totaled \$62 million, also 21 percent of total activity. Of 173 qualified community development loan commitments, 20 commitments totaling \$92 million went to LMI elderly healthcare facility projects, either for affordable housing or community services. This indicates a high level of responsiveness to community credit needs because of the large elderly population in many New York State and Pennsylvania assessment areas.

INVESTMENT TEST

M&T's investment performance is rated "outstanding" based on excellent performance in New York State and Pennsylvania and adequate performance in Maryland and Interstate PMSA 1900. M&T's qualified investments totaled \$56 million at this examination, including \$40 million in new investments since the previous examination. For details in each assessment area, see the four qualified investment tables numbered "14" in Appendix D.

Approximately \$8 million, or 14 percent of total investments, involved low-income housing tax credits ("LIHTCs"), which are considered complex because of accounting and monitoring requirements. Also, the bank provided \$1.1 million in grant support for a school located in an LMI community in Buffalo, an activity not routinely provided by other banks.

M&T's investments exhibited excellent responsiveness to the most pressing credit and community development needs in the bank's various assessment areas. Sixty-one percent or \$34 million of investments were directed to agencies that supported the development of affordable housing. Economic development activity directed through local community development financial institutions ("CDFIs"), either with deposits in local credit unions or investments in loan funds, limited partnerships and small business investment companies ("SBICs"), represented \$8 million or 14 percent of total activity. Activity directed to community service organizations totaled \$7 million or 13 percent of total activity. In addition, \$7 million or 12 percent of investments were funds targeting revitalization of inner cities, a critical need in the upstate New York assessment areas.

SERVICE TEST

M&T's rating on the service test is "outstanding" based on outstanding performance in all assessment areas. For details, see the four versions of Table 15 in Appendix D.

Retail Services: Overall, M&T's branches were readily accessible to all portions of the bank's assessment areas. The bank's record of opening and closing branches did not adversely affect the overall accessibility of the bank's delivery systems. Products and services did not vary in a way that inconvenienced portions of the assessment areas. Business hours were reasonable and tailored to the needs of the various assessment areas. Extended business hours in the morning and evening and on weekends were regularly provided.

M&T used multiple alternative delivery systems that effectively enhanced distribution of banking services throughout the assessment areas, including a network of over 1,000 ATMs. Other alternative delivery services include Bank-by-Mail, direct deposit, M&T Web Banking, M&T Telephone Banking, and Business Telephone Banking Center. Mortgage products are delivered through the mortgage company, which uses a network of sales representatives to enhance delivery, and through outside brokers.

Community Development Services: M&T is a leader in providing community development services based on performance in all assessment areas. The bank participated in over 400 workshops, seminars and conferences in cooperation with hundreds of nonprofit and governmental organizations throughout its assessment areas. Bank employees provided technical assistance to over 100 organizations.

Also, the bank offers several financial service products in its assessment areas primarily designed to assist LMI clients either directly or indirectly. They include the following:

- The Quest Electronic Benefits Transfer Program, available throughout all M&T assessment areas, provides access to food stamps and cash benefits for recipients via a plastic card instead of the traditional food stamps or checks.
- M&T offers a Lifeline Checking Account throughout all its entire assessment areas. The product was developed for LMI individuals at minimal cost.
- Business Checking I Accounts are checking accounts geared toward small businesses with fewer than 100 transactions a month. These accounts are available throughout all M&T assessment areas. The monthly maintenance fee can be avoided with a low average monthly balance.
- Non-Profit Checking Accounts are non-interest-bearing business checking accounts designed for nonprofit organizations. These accounts are available throughout all M&T assessment areas. The monthly maintenance fee can be avoided with a low average monthly balance.

During the examination period, M&T participated in the Federal Home Loan Bank ("FHLB") Affordable Housing Program, sponsoring 24 grant applications to create and rehabilitate single-family and multifamily housing for LMI populations. The bank monitors the projects it has had approved until

their conclusion. Most of the projects are located in MSA 1280 (Buffalo-Niagara Falls, NY) and MSA 6840 (Rochester, NY). M&T is also monitoring 35 projects acquired as part of the Keystone merger. The bank also offers the FHLB's First Home Club Program in 11 counties in the New York State assessment area, offering savings accounts, administering the accompanying FHLB's matching funds and providing homeownership counseling.

Banks may be members of only one FHLB. As a result, M&T was prohibited from securing commitments from the Keystone geographies in Pennsylvania, Maryland and West Virginia which were previously secured under Keystone's membership in the FHLB of Pittsburgh. M&T successfully lobbied the FHLB of New York to open its markets beyond the state, and the FHLBNY Housing Council and Board approved the expansion in late 2001.

COMPLIANCE WITH ANTIDISCRIMINATION LAWS

No credit practices were identified that violated the substantive provisions of the anti-discrimination laws and regulations, including the Equal Credit Opportunity Act (Regulation B), the Fair Housing Act, and the Home Mortgage Disclosure Act (Regulation C).

STATE

CRA RATING FOR NEW YORK STATE: OUTSTANDING.

The lending test is rated: Outstanding.

The investment test is rated: Outstanding.

The service test is rated: Outstanding.

Major factors supporting the rating:

- The volume of HMDA-related and small business loans originated or purchased represented excellent responsiveness to credit needs in New York State.
- The bank had excellent levels of community development loans and qualified investments that were responsive to assessment area needs.
- The geographic distribution of HMDA-related and small business loans reflected good penetration.
- The distribution of loans among borrowers of different income levels and businesses of different sizes was good.
- Delivery systems were readily accessible to all portions of the bank's assessment area.

SCOPE OF EXAMINATION

For the New York State rating, full-scope analyses were conducted for CMSA 5602 (New York and Long Island), MSA 1280 (Buffalo-Niagara Falls, NY), MSA 6840 (Rochester, NY), and MSA 8160 (Syracuse, NY). The bank's lending performance in other New York State assessment areas received a limited review. For the conclusions, particular focus was placed on MSAs 1280, 6840 and 8160, which represent the bank's core business areas in the state in terms of branches and deposits.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NEW YORK STATE

M&T operated 279 retail branches in New York State as of June 30, 2001, representing 57 percent of all the bank's branches and 71 percent of the bank's total branch deposits. As of June 30, 2001, M&T maintained 3 percent of the retail deposit market share in the state, ranking sixth among all banks operating in the state and reporting to the FDIC.

The bank's New York assessment area, as defined on page BB3, is diverse but concentrated in the western part of the state (upstate) and in the New York City metropolitan area (downstate). The upstate region, M&T's core historical market base, represents the largest part of the assessment areas.

It contains 79 percent of branches and 74 percent of deposits in the state. M&T's largest deposit market shares are in this region, reaching a high of 25 percent in Buffalo.

Compared with the downstate region, lending opportunities upstate are far fewer, particularly in LMI geographies and to LMI borrowers. Much of the area is rural, but it includes the populous cities of Buffalo, Rochester and Syracuse, all of which have many LMI residents. With the closing of manufacturing concerns that had been the backbone of the economy, the area's economic decline has been under way for some time. Census 2000 information indicates an out-migration from the major cities since 1990. Some of the population moved to the suburban areas surrounding the major cities, but many left the area entirely to seek employment in other parts of the country. The region has extensive community development needs, particularly in the areas of economic development and revitalization and stabilization.

In contrast, the downstate region, which has only 21 percent of branches and 26 percent of deposits, provides the greatest opportunity for lending, particularly CRA-related lending. M&T's presence in this market, however, is limited and recent as a result of a merger with East New York Savings Bank in 1997. The branch network expanded with the February 2001 acquisition of Premier National Bank, but the branches are concentrated in the outlying mid-Hudson Valley areas of the region. In CMSA 5602, the bank has a deposit market share of less than 1 percent. Within the CMSA, the bank has a less than 1 percent market share in the Nassau-Suffolk and New York, New York, PMSAs. In the outlying suburban counties of the CMSA, however, deposit market share increases. For example, in Dutchess County, the bank has a 23 percent market share, primarily as a result of the Premier acquisition, discussed on page BB2.

Until September 11, 2001, the metropolitan area economy was fairly strong despite job losses from a decline in the dot-com sector. The terrorist attacks pushed the metropolitan area economy into a steep decline, causing many downtown businesses to relocate or close and unemployment levels to increase. Poverty levels are also high, particularly in LMI areas of New York City. At the same time, housing costs have remained at an unaffordable level for most New Yorkers, particularly LMI families. New York City has an acute need for redevelopment of areas affected by September 11, small business loans to help jumpstart the economy, and development of affordable housing.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEW YORK STATE

LENDING TEST

M&T's performance is rated "outstanding," based on excellent performance in MSA 1280 (Buffalo-Niagara Falls, NY), MSA 6840 (Rochester, NY) and MSA 8160 (Syracuse, NY), and good performance in CMSA 5602 (New York-Long Island).

The facts and data used to evaluate the bank's performance are available in the New York State section of Appendix D. Lending activity is depicted in the New York State Table 1, geographic

distribution is depicted in New York State Tables 2-6, and borrower characteristics are depicted in New York State Tables 8-11.

Lending Activity: M&T's responsiveness to credit needs in the New York State assessment areas was outstanding based on excellent performance in MSA 1280 (Buffalo-Niagara Falls, NY), MSA 6840 (Rochester, NY) and MSA 8160 (Syracuse, NY), and good performance in CMSA 5602 (New York-Long Island). HMDA-related and small business lending in the New York State assessment area represented approximately 71 percent of all such lending analyzed at this examination. The New York State assessment area contains approximately 71 percent of the bank's branch deposits.

The bank's deposit market share (3 percent) compared favorably with loan market share. Regarding HMDA-related loans, in 2000 M&T and its affiliates ranked fifth with 3 percent of the loans originated and purchased in New York State. Market leaders include Fleet National Bank, JP Morgan Chase and HSBC Mortgage Corporation. For the 2000-2001 examination period, M&T and its affiliates originated or purchased 27,007 HMDA-related loans in the state.

In 2000 small business lending, the bank and its affiliates ranked 11th with 2 percent of the number of loans originated or purchased. For the examination period, M&T and its affiliates originated 15,989 small business and small farm loans in the state. Market leaders among M&T's peer banks were JP Morgan Chase, HSBC Bank USA, and Citibank. Credit card lenders such as American Express Centurion Bank and Advanta Bank Corporation also have a major impact on the small business loan market, and they generally originate the most small business lending in the bank's various assessment areas.

Geographic and Borrower Distribution: Overall, geographic distribution of loans was good based on good performance in all assessment areas.

The overall distribution of loans among borrowers of different income levels and businesses of different sizes was good based on good performance in MSA 1280 (Buffalo-Niagara Falls, NY), MSA 6840 (Rochester, NY) and MSA 8160 (Syracuse, NY) while performance in CMSA 5602 (New York-Long Island) was adequate. Overall HMDA-related lending was considered good primarily because of good performance with respect to moderate-income borrowers. Performance with respect to low-income borrowers was adequate but consistent with available lending opportunities which were impacted by economic conditions and the disparity in many assessment areas between housing prices and income levels.

Flexible and innovative mortgage products such as Get Started loans, as well as flexible SONYMA and FHA loans, helped the bank assist LMI borrowers and/or borrowers with properties in LMI geographies.

Community Development Loans: M&T's community development lending performance was excellent based on excellent performance in all assessment areas except MSA 8160 (Syracuse, NY) where performance was adequate. During the evaluation period, community development loan

commitments in the New York State assessment area were excellent. Commitments in the state assessment area totaled \$246 million or 84 percent of the bank's total dollars of community development commitments. The bank also issued \$30 million in letters of credit to support affordable housing and community services initiatives. Community development lending was almost evenly divided between the CMSA assessment area (48 percent) and the assessment areas in western New York (52 percent). For details, see New York State lending activity Table 1 in Appendix D.

M&T's community development lending was targeted to affordable housing, an identified credit need. Commitments for affordable housing totaled \$136 million (55 percent). Community development lending activity also included \$58 million for commitments targeting community services, \$35 million for economic development and \$17 million for revitalization and stabilization.

INVESTMENT TEST

In New York State, M&T had an excellent level of qualified community development investments which exhibited excellent responsiveness to credit and community development needs. Performance was excellent in all assessment areas except MSA 6840 (Rochester, NY) where it was good. For details, see New York State Table 14 in Appendix D.

Qualified investments in New York State totaled \$44 million or 79 percent of the bank's total qualified investments. More than \$20 million or 45 percent was invested in funds on a statewide basis, including \$10 million in collateral trust notes to develop affordable housing throughout the state, \$5 million in mortgage-backed securities that help replenish the amount of funds dedicated to LMI loans, and \$4 million in various organizations involved in statewide economic development. Total investments included \$4 million in charitable grants and contributions to organizations supporting community development projects and programs. Most qualified investments were made in CMSA 5602 (New York-Long Island, NY), where activity totaled \$11 million or 25 percent of total investments in the combined New York State assessment areas. Activity also was extensive in MSA 1280 (Buffalo-Niagara Falls, NY), totaling \$7 million or 16 percent of investments in the New York assessment areas.

Approximately \$2 million or 5 percent of qualified investments are LIHTCs, which are considered complex because of accounting and monitoring requirements.

M&T's investments showed an excellent response to the most pressing credit and community development needs in the bank's assessment areas. Sixty-one percent of investments were directed to agencies that support affordable housing development, a primary credit need in the bank's assessment areas. Eleven percent of activity was directed toward economic development, including local CDFIs, which provide direct loans to very small businesses. This helps meet small business credit needs, also identified as an important community need in the New York assessment areas.

SERVICE TEST

M&T is rated “outstanding” under the service test, based on excellent delivery of retail and community development services in all assessment areas.

Retail Services: The bank’s branch delivery systems were readily accessible to all geographies and individuals of different income levels in the assessment area. As discussed in the Institution section, M&T has multiple alternative delivery systems and enhanced distribution of banking services throughout the New York State assessment areas, including an extensive ATM network. Products and services did not vary in a way that inconvenienced LMI geographies and LMI individuals. Extended hours are routine at most of the branch offices.

Community Development Services: Overall, the bank provided a high level of community development services throughout the assessment areas during the examination period. M&T conducted or participated in numerous seminars and workshops on financial literacy and, mainly, affordable housing. The level of FHLB activity in New York State was high, especially in the upstate market.

Officers and employees provided technical assistance by serving on boards and committees of nonprofit organizations addressing the needs of LMI individuals and geographies. And the financial service products discussed on page BB10 are all available in the various New York assessment areas.

METROPOLITAN AREAS

(FULL REVIEW)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MSA 1280 (BUFFALO-NIAGARA FALLS, NY)

This assessment area contains the largest number of M&T bank branches and deposits. As of December 31, 2001, M&T maintained 58 branches or 23 percent of all its branches in the New York State assessment area. As of June 30, 2001, branch deposits in the MSA totaled \$4.6 billion, or 34 percent of the bank's deposits in the state. Compared with other financial institutions in the MSA, M&T held 24 percent of deposits, the second largest market share (behind HSBC).

This MSA is a very competitive financial marketplace where many non-financial institution lenders compete with local and multinational banks operating in the area. M&T's primary competitors are HSBC, Fleet National Bank, Charter One, First Niagara Bank and Key Bank.

M&T's performance in the MSA was evaluated in terms of the demographic and business context in which the bank operates. The following demographic and economic information was obtained from publicly available sources including the U.S. Department of Housing and Urban Development ("HUD"), the U.S. Department of Labor, the New York Association of Realtors, and the U.S. Department of Commerce's Bureau of the Census (1990 and 2000).

The discussions below and in Exhibit 3 contain data mainly from the 1990 Census. The 2000 Census findings are used to the extent available in order to provide more relevant performance context information and enhance the lending performance comparisons between M&T and certain demographic characteristics.

PERFORMANCE CONTEXT

Demographic Characteristics

Consisting of Erie and Niagara Counties, this MSA had a population of 1.2 million or 7 percent of the total population in the bank's assessment areas in New York State, according to the 1990 Census. The MSA population decreased 1.6 percent between 1990 and 2000. Based on the 2000 Census, 15.8 percent of the MSA is 65 and older, a high proportion compared with 12.9 percent for New York State and 12.4 percent for the U.S.. An aging population generally limits home purchase and refinance lending as many older people own their homes or live in senior citizen housing.

The population in the city of Buffalo decreased 11 percent during the decade, which represents a faster rate of decline than the MSA. This continues a decades-long trend of residents moving from the city to

the suburbs while manufacturing job losses led to an out-migration to other areas for employment. Between 1950 and 2000, the Buffalo population declined 50 percent and, as other cities continued to grow, Buffalo went from being the 15th largest city in the U.S. to the 59th largest city. Such a situation creates a vital need for economic development and revitalization activity.

Income Characteristics

The HUD-adjusted median family income for the MSA was \$46,900 in 2000 and \$48,400 in 2001. Within the MSA, even lower incomes are found in Buffalo. The 2000 Census shows a median family income of \$49,146 for the MSA but a median family income of only \$30,614 for Buffalo. The MSA's percentage of families living below the poverty level is 9 percent, while in Buffalo, 23 percent of families live below the poverty level, according to the 2000 Census. Not surprisingly, 68 out of 82 LMI census tracts in MSA 1280 (Buffalo-Niagara Falls, NY) are in Erie County, primarily in the city of Buffalo.

Housing Characteristics

Overall, housing values are affordable in MSA 1280 (Buffalo-Niagara Falls, NY). The 2000 Census puts the median value of a housing unit in the MSA at \$89,100. According to the New York State Association of Realtors, the September 2001 median sales price in Erie County is \$85,000, and is \$73,625 in Niagara County. However, according to the 2000 Census, the median housing value of \$59,300 in the city of Buffalo is significantly lower than the MSA figure.

Although the number of owner-occupied housing units in the MSA increased approximately 4 percent between 1990 and 2000, the number in Buffalo declined 9 percent. Also, the number of vacant units in Buffalo increased from 11 percent (15,535) to almost 16 percent (22,854). These figures reflect both the previously discussed out-migration of population and the decline in HMDA-related lending opportunities in the MSA's LMI census tracts since 1990.

Existing housing, particularly in Buffalo, generally pre-dates 1940, and many neighborhoods in the city show signs of disinvestment. According to the 2000 Census, 86 percent of housing units in Buffalo were built in 1940 or earlier. Generally, this indicates a need for home improvement loans. However, according to a community contact, the amounts of lead in the old buildings, along with the declining value of housing, have made it difficult to obtain financing from prime lenders to rehabilitate the deteriorating structures. The city will pay for demolition but not redevelopment. In cases where sufficient contiguous sites are demolished, nonprofit development organizations are attempting to create new housing. Banks can help through grants and supporting various loan programs.

Labor, Employment and Economic Characteristics

Overall, the upstate New York economy has been in decline as a result of lost manufacturing jobs. The Buffalo area has been the hardest hit as the shrinking automobile and steel industries caused significant economic decline in the city and surrounding areas. Throughout the examination period, job losses in manufacturing were insufficiently offset by gains in other sectors. Unemployment rates of 5 percent in

2000 and 5.4 percent in 2001 were only slightly higher than the state and national rates, although these rates apparently stem more from population declines than increased job opportunities. The December 2001 unemployment rate in Buffalo is 8.9 percent, further reflecting the city's weaker economy and need for economic development and loans to encourage small business growth.

In the city of Buffalo, the combination of population, housing and economic factors points to a strong need to slow the deterioration through economic development and revitalization. According to community contacts, some of the factors cited above make it difficult for banks to pursue such opportunities.

EXHIBIT 3									
Assessment Area Demographics									
MSA 1280 (Buffalo-Niagara Falls, NY)									
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income		
	#	%	#	%	#	%	#	%	
Low-income	26	9.0	19,613	6.2	8,319	42.4	61,749	19.5	
Moderate-income	56	19.3	49,353	15.7	10,138	20.5	57,372	18.2	
Middle-income	144	49.7	162,724	51.5	8,682	5.3	75,770	24.0	
Upper-income	59	20.3	84,010	26.6	1,962	2.3	120,809	38.3	
NA	5	1.7	0	0.0	0.0	0	0	0.0	
Total Assessment Area	290	100.0	315,700	100.0	29,101	9.2	315,700	100.0	
	Housing Units by Tract	Housing Types by Tract							
		Owner-occupied			Rental		Vacant		
		#	%	%	#	%	#	%	
Low-income	40,461	9,572	3.2	23.7	23,831	58.9	7,058	17.4	
Moderate-income	88,836	37,835	12.7	42.6	43,710	49.2	7,291	8.2	
Middle-income	245,520	162,425	54.5	66.2	71,466	29.1	11,629	4.7	
Upper-income	117,645	88,137	29.6	74.9	24,777	21.1	4,731	4.0	
NA	54	0	0.0	-	50	92.6	4	7.4	
Total Assessment Area	492,516	297,969	100.0	60.5	163,834	33.3	30,713	6.2	
	Total Businesses by Tract	Businesses by Tract & Revenue Size							
				Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
		#	%	#	%	#	%	#	%
Low-income	2,079	4.7	1,674	4.4	261	6.1	144	5.3	
Moderate-income	6,542	14.7	5,378	14.4	802	18.8	362	13.4	
Middle-income	21,783	49.0	18,514	49.4	1,970	46.2	1,299	48.3	
Upper-income	13,739	30.9	11,676	31.2	1,195	28.0	868	32.3	
Tract not reported	285	0.7	231	0.6	36	0.9	18	0.7	
Total Assessment Area	44,428	100.0	37,473	100.0	4,264	100.0	2,691	100.0	
	Percentage of Total Businesses:			84.4		9.6		6.0	

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 1280 (BUFFALO-NIAGARA FALLS, NY)

LENDING TEST

M&T's overall performance with respect to the lending test in this MSA was excellent. Lending activity and community development lending were excellent, while the geographic distribution of loans and the distribution of loans among borrowers of different income levels were good.

The facts and data used to evaluate the bank's performance are shown in the New York State section of Appendix D. Lending activity is depicted in New York Table 1, geographic distribution is depicted in New York Tables 2-6, and borrower characteristics are depicted in New York Tables 8-11.

Lending Activity: When the bank's deposit market share is compared with loan market share, M&T's responsiveness to retail credit needs in this assessment area was excellent.

Regarding HMDA-related loans in 2000, M&T and its affiliates ranked second behind HSBC Mortgage Corporation, with 10 percent of the loans originated and purchased. During the examination period, M&T and its affiliates originated or purchased 6,827 HMDA-related loans (4,111 home purchase, 1,659 refinancings, 14 multifamily loans and 1,043 home improvement loans). Small business and small farm loans totaled 5,446. In 2000, M&T small business lending activity ranked fourth with 9 percent of the loans originated in the assessment area. The leading small business lender in the market was HSBC Bank USA. Other lenders with greater market share than M&T include GE Capital Financial, Inc. and American Express Centurion, which are credit card banks.

Geographic Distribution of Lending: The overall distribution of loans reflected good loan penetration in the LMI census tracts of the MSA although performance varied by loan products.

Home Purchase Loans

Compared with the level of owner-occupied housing units and the performance of the aggregate, M&T's overall geographic distribution of loans in LMI geographies was good and exceeded the aggregate. Performance by both M&T and the aggregate did not match the number of owner-occupied housing units reported in the 1990 Census, but it was consistent with the previously discussed decline in such units shown in the 2000 Census, particularly in the city of Buffalo where many LMI tracts are located.

Refinancings

Compared with the level of owner-occupied housing units and the performance of the aggregate, the overall geographic distribution of refinance loans reflected poor penetration. Refinance lending in both low- and moderate-income geographies was poor and lagged behind the aggregate. Based on 2000 aggregate HMDA data and comments from community contacts, the refinance market (which M&T

does not actively pursue in this MSA) tends to be increasingly influenced by non-bank lenders, who report large volumes of activity in LMI geographies.

Home Improvement Loans

Compared with the level of owner-occupied housing units and the performance of the aggregate, the geographic distribution of home improvement loans reflected excellent penetration. Home improvement lending in both low- and moderate-income geographies was excellent and exceeded the level of owner-occupied housing units and the aggregate.

Small Loans to Businesses

Overall, the geographic distribution of small loans to businesses across census tracts of different income levels reflected good penetration when compared with the number of small business locations. The level of small loans to businesses in moderate-income geographies was excellent and exceeded the aggregate. Performance in low-income geographies, however, lagged compared with the level of small business locations and the aggregate.

Distribution by Borrower Income and Revenue Size of the Business: The overall borrower distribution of loans across borrower income levels reflected good performance.

Home Purchase Loans

The distribution of home purchase loans across borrower income levels reflected good distribution. M&T's home purchase lending to moderate-income borrowers was excellent when compared with the percentage of moderate-income families. This performance was similar to the aggregate. The bank's home purchase lending to low-income borrowers was poor, with the aggregate performing similarly to the bank. Neither the bank nor the aggregate's performance compared favorably with the level of low-income families, indicating limited lending opportunities. This is consistent with economic and housing conditions in the area as well as poverty levels.

Refinancings

The distribution of refinancings across borrower income levels reflected adequate distribution. The number of refinancings to moderate-income borrowers was good compared with the percentage of moderate-income families, but poor compared with the percentage of low-income families. M&T's performance trailed the aggregate's performance in both income categories.

Home Improvement Loans

The distribution of home improvement lending across borrower income levels reflected good distribution. The bank's level of home improvement loans to moderate-income borrowers was excellent when compared with the percentage of moderate-income families residing in the assessment area. This

performance was similar to the aggregate's performance. The bank's home improvement loans to low-income borrowers was good and greater than the aggregate.

Small Loans to Businesses

The distribution of small loans to businesses of different sizes was good. The size of small loans to businesses averaged \$123 thousand, an amount that would meet the credit needs of smaller businesses. Of all small business loans in MSA 1280 (Buffalo-Niagara Falls, NY), 73 percent were for \$100 thousand or less. A review of the aggregate, net of large volume credit card lenders, revealed that 65 percent of the aggregate's small business loans were for \$100 thousand or less.

M&T's percentage of small business loans made to businesses with gross annual revenues ("GAR") of \$1 million or less was lower than the number of business establishments in the assessment area with GAR of \$1 million or less, but generally consistent with the level of businesses that might qualify for bank credit. The bank's performance exceeded that of the aggregate.

In addition, a large number of M&T's small business loans (13 percent) did not consider the GAR of the borrower in its credit decision, and thus could not be included in the analysis. The bank's management indicated that these loans generally include credit card and automobile loans, originated using a credit-scoring system that disregards revenue size of the business.

Community Development Lending: Community development lending was excellent with 23 loan originations totaling \$30 million or 12 percent of the New York State overall community development lending. Included was an affordable housing loan for \$8 million to a medical facility where virtually all revenues are derived from Medicaid, an \$8 million revitalization and stabilization project located in a New York State "Empire Zone" designed to develop the economy in downtown Buffalo, and a community services loan for \$2.5 million to a social services agency financed primarily through various government agencies.

INVESTMENT TEST

Considering the impact of statewide investments and those made directly in the assessment area, the level of qualified investments in MSA 1280 (Buffalo-Niagara Falls, NY) was excellent. Investments in MSA 1280 totaled \$7.2 million and included:

- A \$4.9 million investment which was outstanding since the previous examination from the purchase of a county industrial development agency bond for construction of a diagnostic and treatment center in a Buffalo LMI neighborhood.
- A \$1.1 million grant to Westminster Community School resulting in daily after-school programming, a summer school program, a technology program, a 30-computer teaching lab, and a health services clinic. The school is located in an LMI geography and primarily serves LMI families.

- A \$320 thousand grant to the United Way of Buffalo and Erie County for programs targeted toward meeting basic needs such as shelter and food, literacy and employment, and services for the disabled.
- A \$100 thousand non-member deposit in a low-income credit union.
- Charitable grants and donations totaling \$662 thousand made to organizations that promote community service and affordable housing.

The MSA also benefited from approximately \$20 million invested on a statewide basis, most of which was used to support affordable housing that assists many of the assessment areas in New York State. For details, see New York State Table 14.

SERVICE TEST

The bank's performance under the service test in MSA 1280 (Buffalo-Niagara Falls, NY) is rated "outstanding." The rating is based on excellent delivery of retail services and M&T's leadership role in providing community development services.

Retail Services: Overall, delivery systems were readily accessible to all portions of the bank's assessment area when considering the percentage of the population residing in LMI geographies. For details, see New York State Table 15.

Of the 58 branches in this assessment area, 22 percent (13) are located in LMI geographies, compared with 23 percent of the population residing in LMI geographies. In addition, 17 of the branches in non-LMI geographies (38 percent) are located adjacent to LMI geographies and accessible to persons and businesses in LMI geographies.

M&T used multiple alternative delivery systems that effectively enhanced distribution of banking services throughout the assessment area, as discussed in the Institution section of this report. The bank maintained 86 on-site ATMs and 25 off-site ATMs in the MSA. Fifteen of the on-site ATMs (17 percent) are located in LMI geographies and six of the off-site ATMs (24 percent) are located in LMI geographies. All ATMs are available 24 hours every day.

Changes in branch locations have maintained the accessibility of the bank's delivery systems, particularly in LMI geographies and to LMI individuals. Ten branches closed during the review period, four of which were in LMI geographies. The closings did not adversely affect the bank's delivery systems in LMI geographies as a result of consolidation into branches located in adjacent LMI geographies. For details, see New York State Table 15.

Branch products and services did not vary in a way that inconvenienced LMI geographies or LMI individuals. Branch hours were reasonable and tailored to the needs of the community. Approximately 93 percent of branches provided extended hours on weekdays and/or weekends.

Community Development Services: M&T is a leader in community development services in the assessment area. With seminars and technical assistance, the bank displayed a high level of responsiveness to the needs of LMI individuals and community development organizations. These services included programs on economic development and affordable housing in connection with groups such as the Ways to Work Family Loan Program, Don't Borrow Trouble Campaign, HomeFront, Inc., Habitat for Humanity, Futures Academy, Erie County Fair Housing Partnership, and Bethel AME Church.

M&T employees conducted over 120 seminars on affordable housing, small business and CRA-related activities. Topics included home buying ("Get Started Mortgages"), financing for small businesses, CRA products, and FHA and State of New York Mortgage Association ("SONYMA"). Many of the affordable housing projects for which M&T obtained commitments from the FHLBNY are in this MSA.

Furthermore, officers and staff play an active role in the community groups, serving on financial development committees and advisory boards. Examples include the Loan Program of Buffalo and Erie County and the Erie County Fair Housing Partnership. As previously discussed, the grant to Westminster Community School has resulted in a mentoring program involving over 40 M&T employees.

M&T has donated office furniture and computers and provided space for organizations to collect charitable contributions. Organizations benefiting from these donations in 2000 and 2001 included St. Martin de Porres Church, Amherst Church of the Nazarene Food Pantry, Catholic Charities, Child and Family Services, Harbor Heights Elementary, the Salvation Army, Town Boys and Girls Club, Temple Community Development Corporation, and Neighborhood Legal Services.

METROPOLITAN AREAS

(FULL REVIEW)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MSA 6840 (ROCHESTER, NY)

As of December 31, 2001, M&T maintained 40 branches, or 16 percent, of all its New York State branches in this assessment area. Based on deposits reported to the FDIC as of June 30, 2001, these branches accounted for \$1.7 billion or 13 percent of the bank's deposits in New York State. M&T controlled 11 percent of the deposit market share in this MSA, placing it third behind Citibank New York State and HSBC.

This MSA is a highly competitive financial marketplace where many non-financial institutions compete with local as well as multinational banks operating in the area. Primary competitors include HSBC, Charter One and Fleet National Bank.

M&T's performance in the MSA was evaluated in terms of the demographic and business context in which the bank operates. The following demographic and economic information was obtained from publicly available sources including HUD, the U.S. Department of Labor, the New York Association of Realtors, and the U.S. Department of Commerce's Bureau of the Census (1990 and 2000).

The discussions below and in Exhibit 4 contain data mainly from the 1990 Census. The 2000 Census findings are used to the extent available in order to provide more relevant performance context information and enhance the lending performance comparisons between M&T and certain demographic characteristics.

PERFORMANCE CONTEXT

Demographic Characteristics

The Rochester MSA portion of M&T's assessment area consists of Monroe, Livingston, Wayne, Genesee, Orleans and Ontario Counties. According to the 1990 Census, this assessment area has a population of just over 1 million. The 2000 Census indicates that the MSA population increased almost 10 percent to 1.1 million. The population of the region is aging. According to the 2000 Census data, 12.9 percent of the MSA is over 65, creating obstacles to lending. Many senior citizens already own homes or live in senior citizen housing, and do not purchase or refinance their homes.

While the MSA as a whole has grown, the 2000 Census indicates that the city of Rochester's population has declined 5 percent since 1990. This continued a long-term pattern of people moving from the city to the suburbs. Because of the growth and spread of the suburbs, Monroe County (in

which Rochester is located) was the only large upstate county with significant growth in the decade, according to a local newspaper.

Income Characteristics

This is the most affluent MSA in upstate New York. The 2000 and 2001 HUD-adjusted median family incomes for MSA 6840 (Rochester, NY) were \$52,400 and \$52,900, respectively. Of the 264 census tracts in the assessment area, 17 percent are upper-income, 50 percent are middle-income, 20 percent are moderate-income and 12 percent are low-income. Most of the LMI census tracts are located in Monroe County, primarily in the city of Rochester.

Rochester is significantly poorer than the rest of the MSA. The 2000 Census shows that while the MSA has a median family income of \$53,609 and a family poverty level of 7.4 percent, the city has a median family income of \$31,257 and 23.4 percent of families are below the poverty level. These incomes limit opportunities for making conventional mortgages and indicate a need for economic development and lending through subsidized programs.

Housing Characteristics

According to the New York State Association of Realtors, the July 2001 average sales price for a home in this MSA ranges from a high of \$124,900 in Ontario County to a low of \$63,000 in Orleans County. Ontario County had the most significant median sales price increase for the 12 months ending July 2001 with 25 percent, whereas the Genesee County median sales price declined 9.1 percent to \$80 thousand.

Based on 2000 Census data, the number of housing units in the assessment area increased 7 percent from 399 thousand to 451 thousand units over the past decade. In the city of Rochester, the number of housing units declined slightly and the number of owner-occupied housing units fell 13 percent from 1990 to 2000. Vacant housing units increased 43 percent during the decade and accounted for almost 11 percent of all housing units in 2000. This indicates a need for community development lending to rehabilitate or replace existing vacant properties, and a decline in HMDA-related lending opportunities.

Housing stock in Rochester is old, dating back to the 1950s and, in LMI tracts, the 1940s. A community contact confirmed a dramatic increase in the number of vacant properties as a result of mortgage foreclosures. The contact noted the need for rehabilitation funding for these vacant properties, many of which remain unoccupied for long periods and become a blight on adjacent neighborhoods.

Labor, Employment and Economic Characteristics

Manufacturing has historically been a substantial component of the Rochester economy. According to the 1990 Census, manufacturing provided jobs to 27 percent of civilian employed persons. Manufacturing employment declined by almost 22 thousand in the 1990s. The 2000 Census shows that manufacturing jobs account for 21 percent of the employed civilian population. Cutbacks at Eastman

Kodak, Xerox and Bausch & Lomb accounted for most of the job losses. These companies have been the primary drivers of the Rochester economy, and their cutbacks have facilitated a shift toward smaller service-provider companies. As manufacturing declined, jobs have been created in the services sector, which in 1990 accounts for 32 percent of the employment in this MSA. By 2000, the census shows the service sector making up 44.5 percent of employment. Within the services sector, educational, health and social services employ the largest proportion of the labor force, making up 24.8 percent of overall employment. Growth in computer software and telecommunications has been substantial in the past decade, but total job growth remains lower than the statewide average.

Despite its job cuts, Kodak continues to be Monroe County's largest employer. According to a local newspaper, Monroe County Kodak employment, which was as high as 61,000 in 1982, had plunged to 23,900 by 2001. The next two largest employers in 2001 were the University of Rochester/Strong Health and Xerox.

According to the New York State Department of Labor, the annualized unemployment rate in the Rochester MSA was 4 percent in 2000 and 4.5 percent in 2001, slightly lower than the New York State unemployment rates of 4.6 and 4.9 percent. The unemployment levels in the city of Rochester were higher, 6.6 percent in 2000 and 7.8 percent in 2001. This indicates a need for small business loans targeted to the city to continue replacing lost manufacturing jobs.

EXHIBIT 4								
Assessment Area Demographics								
MSA 6840 (Rochester, NY)								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	32	12.1	14,903	5.4	6,035	40.8	51,777	18.8
Moderate-income	52	19.7	38,026	13.8	5,299	13.9	50,650	18.3
Middle-income	131	49.6	158,109	57.3	7,012	4.4	68,875	24.9
Upper-income	44	16.7	65,045	23.5	960	1.5	104,781	38.0
NA	5	1.9	0	0.0	0	0	0	0.0
Total Assessment Area	264	100.0	276,083	100.0	19,306	7.0	276,083	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	26,602	6,659	2.5	25.0	16,857	63.4	3,086	11.6
Moderate-income	67,383	34,101	12.7	50.6	28,606	42.5	4,676	6.9
Middle-income	240,668	160,089	59.5	66.5	65,786	27.3	14,793	6.2
Upper-income	86,963	68,230	25.3	78.4	15,726	18.1	3,007	3.5
NA	68	0	0.0	-	35	51.5	33	48.5
Total Assessment Area	421,684	269,079	100.0	63.8	127,010	30.1	25,595	6.1
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	2,432	5.2	2,061	5.0	270	7.0	101	4.2
Moderate-income	7,058	14.9	5,988	14.6	694	17.9	376	15.7
Middle-income	25,264	53.5	22,033	53.8	1,886	48.6	1,345	56.2
Upper-income	11,530	24.4	10,081	24.6	917	23.7	532	22.2
Tract not reported	959	2.0	809	2.0	109	2.8	41	1.7
Total Assessment Area	47,243	100.0	40,972	100.0	3,876	100.0	2,395	100.0
Percentage of Total Businesses:				86.7		8.2		5.1

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 6840 (ROCHESTER, NY)

LENDING TEST

M&T's overall performance with respect to the lending test in this MSA was excellent. Lending activity was excellent, while geographic distribution of loans and the distribution of loans among borrowers of different income levels were good. Community development lending was excellent.

The facts and data used to evaluate the bank's performance are shown in the New York State section of Appendix D. Lending activity is depicted in New York Table 1, geographic distribution is depicted in New York Tables 2-6, and borrower characteristics are depicted in New York Tables 8-11.

Lending Activity: M&T's responsiveness to retail credit needs in this assessment area was excellent when comparing the bank's deposit market share to loan market share and when considering the bank's top ten market rank for HMDA-related and small business lending.

Regarding HMDA-related loans in 2000, M&T and its affiliates ranked fourth with 6 percent of the loans originated and purchased. The market leader is HSBC Mortgage Corporation with 7 percent of the originated and purchased loans. During the examination period, M&T and its affiliates originated 4,036 HMDA-related loans (3,575 home purchase loans and refinancings, 444 home improvement loans and 17 multifamily loans). Regarding small business lending activity in 2000, M&T and its affiliates ranked fifth with 8 percent of the loans originated and purchased. All the leaders with a better record than M&T were credit card banks except for the third highest lender, HSBC Bank USA. In 2000 and 2001, M&T originated 4,068 small business and small farm loans in the assessment area.

Geographic Distribution of Lending: The overall distribution of loans reflected good loan penetration in LMI geographies.

Home Purchase Loans

Compared with the number of owner-occupied housing units and the performance of the aggregate, the overall geographic distribution of home purchase loans reflected excellent performance. Home purchase lending in moderate-income geographies was excellent and significantly exceeded the aggregate partly because of M&T's Get Started Mortgage Program. Performance in low-income geographies, while lower when compared with the number of owner-occupied housing units, was generally consistent with the aggregate, and therefore reflective of actual lending opportunities that have changed over the past ten years, as discussed in the Performance Context section.

Refinancings

When compared with the level of owner-occupied housing units and the performance of the aggregate, the overall geographic distribution of refinance loans reflected poor penetration in LMI geographies. As is the case in many Upstate New York markets, 2000 aggregate HMDA data and community contacts point to the fact that non-bank lenders are originating the greatest volume of refinancings in LMI geographies. Refinance loans are not a primary mortgage product at M&T.

Home Improvement Loans

Compared with the level of owner-occupied housing units and the performance of the aggregate, the overall geographic distribution of home improvement loans reflected adequate penetration in LMI geographies. Home improvement lending in both low- and moderate-income geographies lagged behind

the aggregate when compared with the level of owner-occupied housing units and the aggregate.

Small Loans to Businesses

The geographic distribution of small loans to businesses across census tracts of different income levels reflected excellent penetration throughout the MSA when compared with the number of small business locations. The number of small loans to businesses in moderate-income geographies was good and exceeded the aggregate. Performance in low-income geographies was excellent when compared with the level of small business locations and the aggregate.

Distribution by Borrower Income and Revenue Size of the Business: The overall borrower distribution of loans across borrower income levels reflected good performance.

Home Purchase Loans

The distribution of home purchase loans across borrower income levels was good. M&T's home purchase lending to moderate-income borrowers was excellent, with its performance exceeding that of the aggregate and significantly exceeding the level of moderate-income families. The bank's home purchase lending to low-income borrowers was adequate compared with the level of low-income families, and performance slightly exceeded the aggregate's performance. Neither the bank nor the aggregate's performance compared favorably with the level of low-income families, reflecting limited lending opportunities, the area's economic conditions and high levels of poverty among low-income families.

Refinancings

The distribution of refinancings across borrower income levels reflected good distribution. The bank's level of refinancings to moderate-income borrowers was excellent and exceeded both the level of moderate-income families and the performance of the aggregate, indicating the same market conditions noted above. Refinance lending to low-income borrowers, however, was poor and lower than the aggregate. Based on 2000 aggregate HMDA data and comments from community contacts, the refinance market in this MSA tends to be increasingly influenced by non-bank lenders, resulting in a very competitive market.

Home Improvement Loans

The distribution of home improvement lending across borrower income levels reflected good distribution. The bank's home improvement lending to moderate-income borrowers was excellent when compared with the percentage of moderate-income families but somewhat less than the aggregate. The bank's home improvement loans to low-income borrowers was adequate and its performance was similar to the aggregate.

Loans to Small Businesses

The distribution of small loans to businesses of different sizes was good. The average size of small loans to businesses was \$138 thousand, an amount that would meet the needs of smaller businesses. Of all small business loans in MSA 6840 (Rochester, NY), 70 percent were for \$100 thousand or less. A review of the aggregate after eliminating large volume credit card lenders reveals that 79 percent of the aggregate's small business loans were for \$100 thousand or less.

M&T's percentage of small business loans made to businesses with GAR of \$1 million or less was lower than the number of business establishments in the assessment area with GAR of \$1 million or less. However, the bank's performance was similar to the aggregate's. In addition, a large number of M&T's small business loans (10 percent) did not consider the GAR of the borrower in its credit decision, and thus could not be included in the analysis. Bank management indicated that these loans generally include credit card and automobile loans. Such loans are decided using a credit-scoring system that does not consider the revenue size of the business.

Community Development Lending: Community development lending was excellent with 21 loan originations totaling \$33 million or 13 percent of the overall community development lending in New York State. This lending included a community service loan for \$7 million to a facility where revenues are derived from New York State human services departments and other government agencies and whose focus is on emotional, behavioral and mental issues. Another community service loan, for \$3 million, went to a nursing home that derives its revenue primarily from Medicaid. In addition, three related affordable housing loans totaling \$10 million were extended to an affordable housing developer.

INVESTMENT TEST

Considering the impact of statewide investments and those made directly in the assessment area, the level of qualified investments in the Rochester MSA was good. Direct investments totaled \$1.2 million. For details, see New York State Table 14.

Investments included \$167 thousand in mortgage-backed securities to promote homeownership by LMI individuals, a \$190 thousand public improvement bond in an LMI area in the city of Geneva, and a \$147 thousand community service grant that benefited LMI individuals. An additional \$160 thousand in charitable grants and donations were made to organizations that promote community development and services and affordable housing. The MSA also benefited from \$20.2 million invested on a statewide basis that targeted affordable housing in the entire New York assessment area.

SERVICE TEST

The bank's performance under the service test in MSA 6840 (Rochester, NY) is rated "outstanding." The rating is based on excellent delivery of retail services and M&T's leadership role in providing community development services.

Retail Services: Overall, delivery systems were accessible to all portions of the bank's assessment area when considering the percentage of population residing in LMI geographies. For details, see New York State Table 15.

Nine of the 40 branches in the MSA assessment area, or 23 percent, are located in LMI geographies, compared with 21 percent of the population residing in LMI geographies. In addition, 13 branches in non-LMI geographies are located adjacent to LMI geographies and accessible to persons and businesses in LMI geographies.

M&T's multiple alternative delivery systems effectively enhanced distribution of banking services throughout the MSA 6840 (Rochester, NY) assessment area, as discussed in the Institution section of this report. The bank maintained 45 on-site ATMs and 44 off-site ATMs in the MSA. Eight or 18 percent of the on-site ATMs are located in LMI geographies, 7 or 16 percent of the off-site ATMs are located in LMI geographies. All ATMs are 24-hour facilities.

Changes in branch locations, as detailed in New York State Table 15, have not adversely affected the accessibility of the bank's delivery systems, particularly LMI geographies and LMI individuals. Five branches closed during the review period but were consolidated into nearby locations. One consolidation occurred in a moderate-income geography and four were in non-LMI geographies, which did not adversely affect the bank's delivery systems in LMI geographies.

Branch products and services did not vary in a way that inconvenienced LMI geographies and LMI individuals. Branch hours were reasonable and tailored to the needs of the community. Approximately 78 percent of branches provided extended hours on weekdays and/or weekends.

Community Development Services: M&T is a leader in providing community development services in the assessment area. The bank's seminars and technical assistance demonstrate a high level of responsiveness to the needs of LMI individuals and community development organizations. M&T participated in over 88 seminars, workshops and conferences concerning mortgage basics, the FHA, start-up financing for potential business owners, financial literacy, basic banking, home buying, and loans to minorities.

M&T officers and employees provided technical assistance by serving on boards and committees of community groups addressing the needs of LMI persons and areas. These organizations include American Action League, City Expo, and Action for a Better Community. Many of the affordable housing projects for which M&T obtained commitments from the FHLB of NY are in this MSA.

M&T participated in the “Don’t Borrow Trouble” project which was a collaboration among many organizations including the Greater Rochester Community Reinvestment Coalition, the City of Rochester, the Housing Council, and Freddie Mac. This project designs advertisements, billboards, Web sites, and public service announcements in English and Spanish to educate borrowers about predatory lending practices. It also provides support to businesses in LMI communities or businesses that target LMI individuals.

METROPOLITAN AREAS

(FULL REVIEW)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MSA 8160 (SYRACUSE, NY)

As of December 31, 2002, M&T operated 31 branches or 12 percent of all its New York State branches in this assessment area. As of June 30, 2001, the bank's branches had \$1.6 billion in deposits, making it first in the market with 20 percent of deposits. It is followed in market share by HSBC and Keybank, N.A.

This MSA is a very competitive financial marketplace where many non-financial institution lenders compete with local and multinational banks operating in the area. Primary competitors include HSBC, Charter One, Chase Manhattan Bank and Fleet National Bank.

M&T's performance in the MSA was evaluated in terms of the demographic and business context in which the bank operates. The following demographic and economic information was obtained from publicly available sources including HUD, the U.S. Department of Labor, the New York Association of Realtors, and the U.S. Department of Commerce's Bureau of the Census (1990 and 2000).

The discussions below and in Exhibit 5 contain data mainly from the 1990 Census. The 2000 Census findings are used to the extent available in order to provide more relevant performance context information and enhance the lending performance comparisons between M&T and certain demographic characteristics.

PERFORMANCE CONTEXT

Demographic Characteristics

M&T's assessment area includes three of the four counties in the MSA: Cayuga, Madison and Onondaga Counties. According the 1990 Census, the assessment area has a population of 620 thousand with 76 percent residing in Onondaga County (in which Syracuse is located). According to the 2000 Census, the MSA population increased 11 percent in the last decade to 732 thousand. During that time, however, census information shows that Syracuse's population fell 10 percent. According to the 2000 Census, 13.3 percent of the MSA is 65 years or older. Many senior citizens already own homes or live in senior citizen housing complexes, and do not purchase or need to refinance their homes.

Income Characteristics

The HUD-adjusted median family income for MSA 8160 (Syracuse, NY) was \$47,000 in 2000 and \$47,900 in 2001. The city of Syracuse is poorer than the rest of the MSA. The 2000 Census update shows an MSA median family income of \$49,270 (based on 1999 incomes) and a median family income for the city of \$33,026. The poverty level in the city is also significantly higher than for the MSA as a whole. The 2000 Census shows that 8.5 percent of families in the MSA are below the poverty level while 21.7 percent of families in the city have incomes below the poverty level. These low incomes indicate that many city residents would be unable to afford homes without assistance.

Housing Characteristics

According to the 1990 Census, the median housing value in the MSA is \$77 thousand compared with the state median value of \$130 thousand. According to the National Association of Realtors, the median sales price of a single-family unit in the Syracuse MSA increased 16.3 percent; from \$81,000 in 2,000 to \$86,100 in 2001.

According to the 2000 Census, the number of owner-occupied housing units in the assessment area portion of the MSA increased 18 percent to 191 thousand units from 161 thousand a decade ago. In the city of Syracuse, however, the number of owner-occupied housing units dropped 10 percent during the decade to 24 thousand. According to the 2000 Census, 35 percent of housing units are owner-occupied and 12.8 percent are vacant.

According to community contacts, rental housing is in demand and LMI residents have difficulty finding decent affordable rentals in Syracuse. The contacts noted that high vacancy rates and poor management characterized the rental housing market. More than half of the housing on Syracuse's west side, for example, is rental and owned by absentee landlords. According to community contacts, the landlords often allow the properties to deteriorate, leading residents to vacate their neighborhoods. Also, the housing stock is old. According to the 2000 Census, 64 percent of housing units in Syracuse were built in 1949 or earlier, and in the MSA 41 percent of housing predates 1950. This indicates a need for home improvement loans and limits the marketability of homes in the area.

Labor, Employment, and Economic Characteristics

The 2000 Census reveals that services are the dominant industry in this MSA, providing 44 percent of the employment in the bank's assessment area. Manufacturing is the second largest source of jobs, and retail trade is third.

Employment has been strong in the MSA during the current recession. According to a local newspaper, this was not the case in the early 1990s when big job losses resulted from cutbacks at old-line manufacturers and military contractors. According to the Syracuse Chamber of Commerce, the three largest employers in Onondaga County are the State University of New York's Upstate Medical Center, Syracuse University and Wegmans supermarket chain. In the year ending June 2001, private sector employment grew .8 percent with service, transportation and public utilities and retailing producing the job growth.

The unemployment rate in the MSA increased from 4.2 percent in 2000 to 4.7 percent in 2001, which is lower than the state's rate of 4.9 percent in 2001. Unemployment rates in the city of Syracuse are higher than for other parts of the MSA. The New York State Department of Labor reported 5.8 percent unemployment for 2000, which grew to 6.7 percent in 2001, indicating a need for economic development and small business credit, particularly in the city.

EXHIBIT 5								
Assessment Area Demographics								
MSA 8160 (Syracuse, NY)								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	17	9.5	7,054	4.5	2,880	40.8	28,251	17.9
Moderate-income	28	15.6	19,653	12.4	3,269	16.6	28,747	18.2
Middle-income	90	50.3	87,080	55.2	4,213	4.8	38,869	24.6
Upper-income	42	23.5	43,986	27.9	916	2.1	61,906	39.3
NA	2	1.1	0	0.0	0	0.0	0.0	0.0
Total Assessment Area	179	100.0	157,773	100.0	11,278	7.2	157,773	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	17,221	2,251	1.5	13.1	12,515	72.7	2,455	14.2
Moderate-income	39,592	13,164	8.7	33.2	22,831	57.7	3,597	9.1
Middle-income	132,854	89,536	59.3	67.4	32,415	24.4	10,903	8.2
Upper-income	61,132	46,114	30.5	75.4	11,714	19.2	3,304	5.4
NA	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	250,799	151,065	100.0	60.2	79,475	31.7	20,259	8.1
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	2,156	8.2	1,772	7.9	285	12.3	99	6.5
Moderate-income	3,329	12.7	2,810	12.6	342	14.7	177	11.6
Middle-income	13,755	52.6	11,720	52.5	1,194	51.5	841	55.3
Upper-income	6,898	26.4	5,997	26.9	497	21.4	404	26.6
Tract not reported	14	0.1	12	0.1	2	0.1	0	0.0
Total Assessment Area	26,152	100.0	22,311	100.0	2,320	100.0	1,521	100.0
Percentage of Total Businesses:				85.3		8.9		5.8

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 8160 (SYRACUSE, NY)

LENDING TEST

M&T's overall performance with respect to the lending test in this MSA was excellent. Lending activity was excellent while geographic distribution of loans and the distribution of loans among borrowers of different income levels were good. Community development lending was adequate.

The facts and data used to evaluate the bank's performance are shown in the New York State section of Appendix D. Lending activity is depicted in New York Table 1, geographic distribution is depicted in New York Tables 2-6, and borrower characteristics are depicted in New York Tables 8-11.

Lending Activity: M&T's responsiveness to retail credit needs in this assessment area was excellent when comparing the bank's deposit market share with loan market share and taking into account the bank's top ten market rank for HMDA-related and small business lending.

Regarding HMDA-related lending activity in 2000, M&T and its affiliates ranked second with 10 percent of the number of loans originated and purchased. During the examination period, M&T and its affiliates reported 2,187 HMDA-related loans (1,363 home purchase loans and 489 refinancings, 2 multifamily loans and 333 home improvement loans). In 2000 M&T small business lending activity ranked third with 10 percent of the number of loans originated. The three lenders surpassing M&T were all credit card banks led by GE Capital Financial, Inc. During the examination period, M&T originated 2,083 small business and small farms loans.

Geographic Distribution of Lending: The overall geographic distribution of loans reflected good loan penetration in LMI geographies although performance varied by loan products.

Home Purchase Loans

Compared with the level of owner-occupied housing units and the performance of the aggregate, the overall geographic distribution of home purchase loans reflected good penetration in LMI geographies. Home purchase lending in moderate-income geographies was good compared with the level of owner-occupied housing units, and the bank's performance exceeded the aggregate. Performance in low-income geographies, however, was lower when compared with the number of owner-occupied housing units and the aggregate. HMDA-related lending opportunities are limited in low-income geographies with only 1.5 percent of owner-occupied housing units located there, according to the 1990 Census, and with a further decline when considering the 2000 Census.

Refinancings

Compared with the level of owner-occupied housing units and the performance of the aggregate, the overall geographic distribution of refinance loans reflected poor performance in both low- and

moderate-income geographies. Aggregate data for 2000 indicates that non-bank lenders originate most of the refinancings in LMI geographies. And as previously noted, M&T does not focus heavily on marketing refinance mortgage products.

Home Improvement Loans

Compared with the level of owner-occupied housing units and the performance of the aggregate, the overall geographic distribution of home improvement loans reflected excellent penetration. Home improvement lending in moderate-income geographies was good when compared with the level of owner-occupied housing units, but lagged behind the aggregate. Home improvement lending in low-income geographies was excellent and substantially exceeded the aggregate performance, according to the 1990 Census. Census 2000 showed a decline in the number of owner-occupied units in low-income geographies.

Small Loans to Businesses

The geographic distribution of small loans to businesses across census tracts of different income levels reflected good penetration throughout the MSA when compared with the number of small business locations. The level of small loans to businesses in moderate-income geographies was good and was consistent with the aggregate. The number of small loans to businesses in low-income geographies, however, was excellent and exceeded the aggregate.

Distribution by Borrower Income and Revenue Size of the Business: The overall borrower distribution of loans across borrower income levels reflected good performance.

Home Purchase Loans

The distribution of home purchase loans across borrower income levels was good. M&T's home purchase lending to moderate-income borrowers was excellent compared with the level of moderate-income borrowers, and performance exceeded that of the aggregate. The bank's home purchase lending to low-income borrowers was poor, but M&T outperformed the aggregate. Neither the performance of M&T nor the aggregate, however, was consistent with the level of low-income borrowers, reflecting the income and poverty issues discussed in Performance Context.

Refinancings

The distribution of refinancings across borrower income levels reflected good distribution. The bank's level of refinancings to moderate-income borrowers was excellent, although performance trailed that of the aggregate. Refinance lending to low-income borrowers, however, was poor, and was outperformed by the aggregate. Neither the bank's nor the aggregate's performance compared favorably with the level of low-income families, reflecting limited lending opportunities and the area's economic conditions. Based on 2000 aggregate HMDA data and comments from community contacts, the refinance market

in this MSA tends to be increasingly influenced by non-bank lenders, resulting in a very competitive market.

Home Improvement Loans

The distribution of home improvement lending across borrower income levels reflected good distribution. The level of home improvement loans to moderate-income borrowers was excellent when compared with the percentage of moderate-income families, and M&T's performance exceeded that of the aggregate. Home improvement lending to low-income borrowers was good when compared with the level of low-income borrowers, but M&T outperformed the aggregate.

Loans to Small Businesses

The distribution of small loans to businesses of different sizes was good. The average size of small loans to businesses was \$111 thousand, an amount that would meet the needs of smaller businesses. Of all small business loans in MSA 8160 (Syracuse, NY), 77 percent were for \$100 thousand or less. A review of the aggregate after eliminating large volume credit card lenders reveals that 86 percent of the aggregate's small business loans were for \$100 thousand or less.

M&T's percentage of small business loans made to businesses with GAR of \$1 million or less was lower than the number of business establishments in the assessment area with GAR of \$1 million or less. However, the bank's performance slightly exceeded the aggregate's performance. In addition, a large number of M&T's small business loans (14 percent) did not consider the GAR of the borrower in its credit decision, and thus could not be included in the analysis. The bank's management indicated that these loans generally include credit card and automobile loans. Such loans are decided using a credit-scoring system that disregards revenue size of the business.

Community Development Lending: Community development lending was adequate with seven loan originations totaling \$4.5 million or 2 percent of the overall community development lending in New York State. Included were community services loans for \$2.2 million and \$1.5 million, both to health care facilities,.

INVESTMENT TEST

Considering the impact of statewide investments and those made directly in the assessment area, the level of investments in this MSA's assessment area was excellent. Investments in MSA 8160 (Syracuse, NY) totaled \$2.6 million. For details, see New York State Table 14 in Appendix D. Investments included a \$1.1 million in LIHTCs for a senior citizen apartment building, a \$507 thousand LIHTC to support townhouses in Oswego, and \$341 thousand in charitable grants and donations made to organizations that promote community development services and affordable housing.

The MSA also benefited from over \$20.2 million in qualified community development investments invested on a statewide basis, including over \$16 million invested in affordable housing assisting the bank's assessment areas throughout New York State.

SERVICE TEST

The bank's performance under the service test in MSA 8160 (Syracuse, NY) is rated "outstanding" based on excellent delivery of retail services and M&T's leadership role in providing community development services.

Retail Services: Overall, delivery systems were accessible to all portions of the bank's assessment area when considering the percentage of population residing in LMI geographies. For details, see New York State Table 15. Of the 31 branches in the MSA assessment area, 6 or 19 percent are located in LMI geographies. In addition, seven branches in non-LMI geographies are located adjacent to LMI geographies and easily accessible to persons and businesses in LMI geographies.

M&T's multiple alternative delivery systems effectively enhanced the distribution of banking services throughout the MSA 8160 (Syracuse, NY) assessment area, as discussed in the Institution section of this report. The bank maintained 35 on-site ATMs and 14 off-site ATMs in the MSA. Three, or 9 percent, of the on-site ATMs are in LMI geographies, and two, or 14 percent, of the off-site ATMs are in LMI geographies. All ATMs are 24-hour facilities.

Changes in branch locations did not impact the accessibility of the bank's delivery systems, particularly in LMI geographies and LMI individuals. One branch in a non-LMI geography closed during the review period. For details, see New York State Table 15.

Branch products and services did not vary in a way that inconvenienced LMI geographies and LMI individuals. Branch hours were reasonable and tailored to the needs of the community. Approximately 84 percent of the branches provided extended hours on weekdays and/or weekends.

Community Development Services: M&T, a leader in providing community development services in the assessment area, used seminars and technical assistance to show its high level of responsiveness to the needs of LMI individuals and community development organizations. M&T participated in over 38 seminars, workshops and conferences about the Get Started Mortgage Program, SONYMA, and business plan development.

M&T officers' and employees' technical assistance involved service on boards and committees of community groups supporting LMI persons and areas. For example, bank staffers have joined Appleseed Trust, Inc.'s advisory boards, subcommittees, and financial development committees. Appleseed Trust is a community-based organization that focuses on entrepreneurial training and microlending for LMI individuals.

Bank employees also provided job support and educational services to LMI individuals under the auspices of the Boys and Girls Club of Syracuse, a developmental agency for Syracuse youth, specifically the disadvantaged. Additional organizations M&T staff aided include Home High School, Family Resources Housing Task Force, Cedar Task Force, Business Planning and Financial Program, and Syracuse Model Neighborhood Facility, Inc.

M&T made in-kind donations of computers and other office equipment to the Literacy Volunteers and Nottingham High School in 2000.

METROPOLITAN AREAS

(FULL REVIEW)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN CMSA 5602 (NEW YORK-NORTHERN NEW JERSEY-LONG ISLAND, NY-NJ-CT)

This CMSA contains the largest number of residents and businesses, and provides the most opportunity for lending in LMI geographies and to LMI borrowers and small businesses. M&T's presence in the CMSA is limited, however, and the high level of competition results in limited market shares.

As of December 31, 2001, M&T operated 53 branches in the assessment area. As of June 30, 2001, these branches accounted for \$3.5 billion in deposits, or 26 percent of the bank's New York State deposits. In this assessment area, the bank has a 1 percent deposit market share. In PMSA 5600 (New York, NY), M&T is ranked 21st in deposits, with a .67 percent market share. In PMSA 5380 (Nassau-Suffolk, NY), M&T is ranked 19th in deposits with .69 percent of the market share.

In PMSA 2281 (Dutchess County, NY), as a result of its acquisition of Premier Bank, M&T is ranked first, with 23 percent of deposits, but Dutchess County has the lowest level of FDIC-insured deposits of all the PMSAs in the assessment area. And the county contains only 14 LMI tracts.

M&T's performance in the CMSA was evaluated in terms of the demographic and business context in which the bank operates. The following demographic and economic information was obtained from publicly available sources including HUD, the U.S. Department of Labor, the New York Association of Realtors and the U.S. Department of Commerce's Bureau of the Census (1990 and 2000).

The discussions below and in Exhibit 6 contain data mainly from the 1990 Census. The 2000 Census findings are used to the extent available in order to provide more relevant performance context information and enhance the lending performance comparisons between M&T and certain demographic characteristics.

PERFORMANCE CONTEXT

Demographic Characteristics

CMSA 5602 includes southern New York, western Connecticut and northeastern New Jersey, generally termed the New York metropolitan area. The bank's assessment area in the CMSA consists only of portions of southern New York, specifically Dutchess, Putnam, Rockland, Westchester, Bronx, Kings, New York, Queens, Orange, Nassau and Suffolk Counties. According to the 1990 Census, the population of the bank's assessment area is approximately 11 million. The largest concentration of the CMSA population, 8.2 million or 72 percent, is found in PMSA 5600 (New York, NY). The second

largest concentration, with approximately 2.6 million, is in PMSA 5380 (Nassau-Suffolk, NY). These two PMSAs make up nearly 95 percent of the population in the CMSA 5602 assessment area of the bank. The remaining 5 percent of the population is in PMSA 5660 (Newburgh, NY) with 3 percent and PMSA 2281 (Dutchess, NY) with 2 percent.

Thirty percent of the CMSA population, 3.4 million, resides in LMI geographies. They are concentrated in New York City, with the largest proportion in the Bronx. Of the assessment area's 3,113 census tracts, 858 or 28 percent are located in LMI geographies.

Income Characteristics

HUD-adjusted median family income figures are unavailable for the CMSA, but in the assessment area PMSAs, the 2000 HUD-adjusted median family income ranges from a high of \$83,100 in Westchester County to a low of \$54,400 in PMSA 5660 (Newburgh, NY). The 2001 HUD-adjusted median family income ranges from \$85,800 in Westchester to \$55,800 in Newburgh.

The 2000 Census puts the 1999 median family income for the CMSA at \$60,254 with 10.2 percent of families below the poverty level. However, the New York PMSA has a significantly lower median family income, \$46,471, and a higher proportion of families below the poverty level, 16.6 percent. In Bronx County, the median family income is just \$30,682 and 28 percent of families are below the poverty level. New York County (Manhattan) has the highest median family income, \$50,229, according to the 2000 Census. New York County, however, has a high poverty level, at 17.6 percent of families. PMSA 5380 (Nassau-Suffolk, NY) is wealthier than the CMSA overall. The 2000 Census reports a median family income of \$76,430 and a poverty level of 3.7 percent.

Low income and high poverty in New York City, particularly outside of Manhattan, make it difficult for families to afford homes and indicate a need for economic development. Community contacts agreed, citing local credit needs for both affordable housing and small business lending in the cities in the CMSA.

Housing Characteristics

Unlike the upstate portions of M&T's assessment areas, only 41 percent of the CMSA assessment area's 4.4 million housing units are owner-occupied, according to the 1990 Census. Only 19 percent of the homes in LMI geographies are owner-occupied, making rental housing the most important segment of the housing market. Thus, HMDA-related lending opportunities are limited in this assessment area.

According to the New York State Association of Realtors, in July 2001 the New York State median sales price for existing single-family homes was \$144,900, up from \$130,000 a year earlier. Higher values are found in the CMSA, particularly in the suburban areas of the assessment area, as well as in Manhattan (New York County).

Despite September 11, 2001, and the subsequent recession, real estate prices in the New York metropolitan area continued their upward trend in the past year, with the largest proportionate increases in the suburbs closest to New York City. Most owner-occupied housing in Manhattan is in the form of co-operatives or condominiums. According to a study by one real estate broker, the median sales price of Manhattan co-ops increased 7 percent from 2000 to 2001, bringing the average sales price to \$705,888. The average price of Manhattan condominiums increased 11.9 percent to \$1,039,586. Such prices would be prohibitive even to someone significantly above the median income.

Another broker reported that by the end of 2001, co-op prices in Brooklyn averaged \$295 thousand, a 28 percent increase since December 31, 2000. Average condo sale prices were reported to be \$253 thousand at year-end 2001, representing a 5 percent increase from the prior year. In Queens, the median closing price of a single-family home in December 2001 was close to \$240 thousand, according to the Multiple Listing Service of Long Island. For Westchester County, the New York State Association of Realtors reported a median sale price of \$455 thousand in July 2001 and \$285 thousand in Nassau.

Throughout the assessment area, a sharp disparity exists between incomes and housing costs to a point where homeownership is unaffordable for most families. This would indicate a need for affordable mortgage programs and development of rental properties that are affordable to the LMI population. Community contacts agreed and described a need for flexible lending programs and loans for affordable rental housing. They also stated that a lack of Section 8 certificates and other subsidies has made it difficult to build affordable housing for LMI families.

Labor, Employment and Economic Characteristics

During the examination period, the New York City economy receded from its historic 1990s expansion. The declining dot-com sector and stock market caused thousands of layoffs early in the examination period. September 11 intensified the decline with many lower Manhattan businesses, particularly those in the securities industry, moving to Westchester, New Jersey, Long Island and Connecticut. The city comptroller has reported that New York City is in its worst recession since 1991 primarily as a result of the attacks on the World Trade Center rather than the national economy.

The Century Foundation reported that 14,632 businesses in the area close to the WTC were destroyed, damaged or significantly disrupted. Bronx, Kings, New York, Queens and Richmond Counties were declared disaster areas allowing the U.S. Small Business Administration ("SBA") to offer direct low-interest loans (as low as 4 percent for businesses and nonprofit organizations without credit available elsewhere). The number of loans originated was low, however, as many merchants felt that their businesses might not survive and applying for a loan would be too risky. Other merchants either did not have adequate credit history or collateral. The greatest need is for outright grant funds or loans with deferred repayment terms in excess of one year.

Annual unemployment in New York City increased from 5.3 percent in 2000 to 5.6 percent in the following year. By December 2001, the unemployment rate was at 6.5 percent. The highest rate, 8.3

percent in December 2001, is in Bronx County. However, in Long Island, Rockland and Westchester Counties, unemployment was below 4 percent. Because of job losses, particularly in New York City, community contacts have noted a need to focus on creating more business opportunities, and therefore more jobs, in LMI areas. Financial and technical assistance is also needed for both small businesses and LMI families who are considering first-time homeownership.

September 11 also had serious consequences in the nonprofit community. City budget cutbacks have resulted in as much as a 15 percent decrease in funding from city agencies, which has predominantly impacted organizations providing human services. Organizations also faced a loss in funds from either cancelled or scaled-back fundraisers and fewer donations. All this at a time when many organizations are facing an increased demand for services, particularly those related to food supplies and job placement and retraining. Such a situation provided community development loan and investment opportunities for area financial institutions.

EXHIBIT 6								
Assessment Area Demographics								
CMSA 5602 (New York-Northern New Jersey-Long Island, NY-NJ-CT)								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	321	10.3	284,748	10.2	123,275	43.3	642,942	22.9
Moderate-income	537	17.3	512,598	18.2	100,318	19.6	464,070	16.5
Middle-income	1,255	40.3	1,172,702	41.7	72,896	6.2	579,493	20.6
Upper-income	921	29.6	838,939	29.9	24,036	2.9	1,122,482	40.0
NA	79	2.5	0	0.0	0	0.0	0	0.0
Total Assessment Area	3,113	100.0	2,808,987	100.0	320,585	11.4	2,808,987	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	418,635	22,819	1.2	5.5	373,893	89.3	21,923	5.2
Moderate-income	823,424	176,816	9.7	21.5	583,730	70.9	62,878	7.6
Middle-income	1,752,859	859,490	47.3	49.0	796,476	45.5	96,893	5.5
Upper-income	1,449,106	759,637	41.8	52.4	595,335	41.1	94,134	6.5
NA	1,363	79	0.0	5.8	912	66.9	372	27.3
Total Assessment Area	4,445,387	1,818,841	100.0	40.9	2,350,346	52.9	276,200	6.2
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	24,381	5.1	19,951	5.0	2,674	4.8	1,756	6.3
Moderate-income	75,164	15.7	61,033	15.4	9,099	16.4	5,032	17.9
Middle-income	169,310	35.3	142,296	36.0	16,657	30.0	10,357	36.9
Upper-income	201,778	42.1	166,493	42.1	24,751	44.6	10,534	37.5
Tract not reported	8,698	1.8	5,983	1.5	2,314	4.2	401	1.4
Total Assessment Area	479,331	100.0	395,756	100.0	55,495	100.0	28,080	100.0
Percentage of Total Businesses:				82.5		11.6		5.9

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CMSA 5602 (NEW YORK-NORTHERN NEW JERSEY-LONG ISLAND, NY-NJ-CT)

LENDING TEST

M&T's overall performance with respect to the lending test in this CMSA was good. Lending activity, geographic distribution of loans, and the distribution of loans among borrowers of different income levels all were good. Community development lending was excellent.

The facts and data used to evaluate the bank's performance are shown in the New York State section of Appendix D. Lending activity is depicted in New York Table 1, geographic distribution is depicted in New York Tables 2-6, and borrower characteristics are depicted in New York Tables 8-11.

Lending Activity: M&T's responsiveness to retail credit needs in this assessment area was good considering the bank's lower loan and deposit market shares resulting from its smaller presence in downstate New York.

Primary competitors are Citibank, HSBC, JP Morgan Chase ("Chase") and Fleet National Bank. According to peer data, M&T and its affiliates were the 30th largest small business lender in 2000. Credit card lenders dominate the small business market, led by American Express Centurion Bank. Chase is the only full service bank in the top five lenders, which make up 66 percent of total market share. In 2000, M&T and its affiliates were the 16th largest lender in terms of HMDA reportable loans. Fleet, Chase and Citibank were the market leaders. During the examination period, M&T reported 1,526 small business loans and 7,476 HMDA-related loans (5,291 home purchase loans, 1703 refinancings, 174 multifamily loans and 308 home improvement loans).

Geographic Distribution of Lending: The overall distribution of loans reflected good loan distribution although performance varied by loan product.

Home Purchase Loans

When compared with the level of owner-occupied housing units and the performance of the aggregate, M&T's overall geographic distribution of home purchase loans across census tracts of different income levels reflected excellent penetration. Home purchase lending in low-income and moderate-income geographies was excellent and exceeded the aggregate.

Refinancings

Compared with the level of owner-occupied housing units and the performance of the aggregate, the overall geographic distribution of refinancings across census tracts of different income levels reflected good performance. Refinance lending in both low- and moderate-income geographies was very favorable compared with the level of owner-occupied housing units, but it lagged behind the aggregate.

Home Improvement Loans

Compared with the level of owner-occupied housing units and the performance of the aggregate, the overall geographic distribution of home improvement loans across census tracts of different income levels reflected good penetration. Home improvement lending in LMI geographies was good when compared with the level of owner-occupied housing units, but lagged behind the aggregate.

Multifamily Loans

Compared with the level of multifamily housing units and the performance of the aggregate, the overall geographic distribution of multifamily loans across census tracts of different income levels reflected adequate penetration. Multifamily lending in low-income tracts was poor when compared with the level of multifamily housing units and the aggregate. Multifamily lending in moderate-income tracts was good when compared with the level of multifamily housing units but trailed the aggregate. Multifamily housing loans are an important need in the New York City market.

Small Loans to Businesses

The geographic distribution of small loans to businesses in LMI geographies was adequate compared with the level of small business locations and lagged behind the aggregate. Such performance may reflect the bank's limited branch presence in the New York City counties where most small business locations are concentrated. Because of cash needs, small businesses tend to establish their banking relationships in close proximity to their location.

Distribution by Borrower Income and Revenue Size of the Business: The overall distribution of loans among borrowers of different income levels and businesses of different sizes was good based on the level of lending to moderate-income borrowers and when taking into consideration the high housing costs relative to income.

Home Purchase Loans

Overall, M&T's distribution of home purchase loans among moderate-income borrowers was excellent compared with the percentage of moderate-income families residing in the area. The bank exceeded the aggregate's performance in the assessment area. M&T's distribution of home purchase loans among low-income borrowers was poor. The bank's percentage of home purchase loans to low-income borrowers compared with the percentage of low-income families in the CMSA was low. The aggregate, which trailed the performance of the bank, exhibited similarly low performance. This performance generally reflects the limited supply of affordable owner-occupied housing caused by the significant gap between housing costs in the CMSA assessment area and borrower income levels as discussed in the performance context. Such a gap generally limits homeownership opportunities for low-income families.

Refinance Loans

M&T's distribution of refinance loans among moderate-income borrowers was good. The bank, however, underperformed the aggregate. M&T management indicated that as part of its business strategy, it did not aggressively seek out refinancings, relying instead on the existing customer base which limited the amount of refinancings originated.

M&T's distribution of refinancings among low-income borrowers was poor. The bank's percentage of loans to low-income borrowers was low when compared with the percentage of low-income families in

CMSA 5602. The bank's performance, however, was similar to the aggregate's performance. This low level of refinance lending generally reflects the low level of homeownership among low-income families. For details, see the discussion above on the limited supply of affordable housing in CMSA 5602.

Home Improvement Loans

M&T's distribution of home improvement loans among moderate-income borrowers was excellent. The bank outperformed the aggregate. M&T's distribution of home improvement loans to low-income borrowers was poor. The bank's percentage of home improvement loans to low-income borrowers was low compared with the percentage of low-income families in the CMSA. The aggregate, while exceeding the performance of the bank, also exhibited poor performance, evidencing a limited demand related to low-income levels.

Small Loans to Businesses

M&T's record of lending to businesses of different sizes in CMSA 5602 was good. The average size of such loans was \$164 thousand, an amount that would meet the credit needs of smaller businesses. Approximately 68 percent of small loans to businesses that were originated in the assessment area during the examination period were for \$100 thousand or less. The aggregate, after eliminating high volume credit card lenders, outperformed M&T with 84 percent of small business loans for \$100 thousand or less.

M&T's percentage of small business loans made to businesses with GAR of \$1 million or less was lower than the number of business establishments in the assessment area with GAR of \$1 million or less. However, the bank's performance was similar to the aggregate's. In addition, a large number of M&T's small business loans (18 percent) did not consider the GAR of the borrower in its credit decision, and thus could not be included in the analysis. The bank's management indicated that these loans generally include credit card and automobile loans. Such loans are decided using a credit-scoring system that does not consider the revenue size of the business.

Community Development Lending: The level of community development lending was excellent with 65 loan commitments totaling \$118 million or 48 percent of overall community development lending in New York State. The outlay included a \$15.3 million affordable housing project for a 266-unit senior citizen residence located in Suffolk County, and a \$13.5 million, 545-unit affordable housing project in Westchester County. In addition, the bank originated a \$7.3 million community services loan for a health care facility in New York City with a 74 percent Medicaid-supported population. Such projects help meet critical needs for LMI individuals and families in the assessment area.

INVESTMENT TEST

Considering the impact of statewide investments and those made directly in the assessment area, the level of qualified investments was excellent. Direct investments totaled \$11.1 million and included:

- mortgage-backed securities totaling \$6.9 million that help to promote homeownership for LMI individuals by replenishing the supply of lendable funds in the mortgage market.
- public improvement bonds totaling \$1.6 million to support various projects in predominantly LMI geographies of Orange and Suffolk Counties.
- deposits in CDFIs totaling \$500 thousand.
- charitable grants and donations of \$1.1 million to organizations promoting community service and affordable housing.

The CMSA also benefited from over \$20.2 million invested on a statewide basis, including more than \$16 million invested in affordable housing that assists the entire New York State assessment area. For details, see New York State Table 14 in Appendix D.

SERVICE TEST

The bank's performance under the service test in CMSA 5602 is rated "outstanding," based on excellent delivery of retail services and M&T's leadership role in providing community development services.

Retail Services: Overall, delivery systems were accessible to all portions of the bank's assessment area when considering the percentage of population residing in LMI geographies. For details, see New York State Table 15. Of the 53 branches in the CMSA assessment area, 10 (19 percent) are located in LMI geographies. In addition, 11 branches in non-LMI geographies are located adjacent to LMI geographies and are easily accessible to persons and businesses in LMI geographies.

M&T employed multiple alternative delivery systems that effectively enhanced distribution of banking services throughout the CMSA 5602 assessment area, as discussed in the Institution section of this report. The bank maintained 45 on-site and 7 off-site ATMs in the CMSA. Five, or 11 percent, of the on-site ATMs are located in LMI geographies, and 13, or 28 percent, of the non-LMI ATMs are located adjacent to LMI geographies. All ATMs operate 24 hours a day.

Changes in branch locations have not adversely affected the accessibility of the bank's delivery systems, particularly in LMI geographies and to LMI individuals. Twenty-six branches primarily in PMSA 2281(Dutchess, NY) resulting from the Premier acquisition were opened during the review period. Five new branches are located in LMI geographies and 21 are located in non-LMI geographies, a

distribution that is consistent with local demographics. Furthermore, six branches were closed during the review period; all located in non-LMI geographies. For details, see New York State Table 15.

Branch products and services did not vary in a way that inconvenienced LMI geographies and LMI individuals. Branch hours were reasonable and tailored to the needs of the community. Approximately 72 percent of branches provided extended hours on weekdays and/or weekends.

Community Development Services: Considering its presence in the overall assessment area, M&T is a leader in community development services, displaying a high level of responsiveness to the needs of LMI individuals and community development organizations. M&T participated in 27 seminars, workshops and conferences in cooperation with organizations such as the Small Business Expo, Harlem Hospital, Rockland Business Association, Mohawk Valley Business Expo, and Neighborhood Housing Services (“NHS”) of both Staten Island and East Flatbush.

M&T officers and employees provided technical assistance by serving on boards and committees of community groups serving the needs of LMI persons and areas. These organizations include H.E.L.P., Fifth Avenue Committee, NHS of East Flatbush, Local Initiatives Support Corporation, Regional Economic Development Corporation, and Neighborhood 2000 Fund.

M&T partners with other lenders to develop programs to educate borrowers and provide financial commitments. The various programs are designed to contact potential borrowers from distressed neighborhoods in an effort to lessen exposure to predatory lenders and eliminate fears associated with approaching a bank for a loan.

The bank also developed a program to improve the lives of low-income residents of South Brooklyn through housing development, job creation, micro-enterprise development, and homeownership counseling. The program further transforms distressed communities and neighborhoods into healthy environments for business and families, assists corporations and individual proprietors unable to obtain funds from conventional lenders, and develops linkages between low-income neighborhoods and the mainstream economy of New York City.

M&T donated desktop computers to Habitat for Humanity of Greater Newburgh in CMSA 5602.

METROPOLITAN AREAS

(LIMITED REVIEW)

MSA 0160 (ALBANY-SCHENECTADY-TROY, NY)

MSA 0960 (BINGHAMTON, NY)

MSA 2335 (ELMIRA, NY)

MSA 3610 (JAMESTOWN, NY)

MSA 8680 (UTICA-ROME, NY)

NON-MSA GROUP A (SENECA, TOMPKINS, CORTLAND COUNTIES, NY)

**NON-MSA GROUP B (STEUBEN, CATTARAUGUS, ALLEGANY,
WYOMING COUNTIES, NY)**

NON-MSA GROUP C (SULLIVAN, ULSTER COUNTIES, NY)

Facts and data reviewed, including performance and applicable demographic information, can be found in the Appendix D tables that accompany this report. Lending test information is depicted in New York State Tables 1-11. Information regarding investments is in New York State Table 14, and information relative to the service test is in New York State Table 15. Conclusions regarding performance in the individual assessment areas in relation to overall New York State performance (which did not impact the overall state rating) are as follows:

Assessment Area	Lending Test	Investment Test	Service Test
MSA 0160	Consistent	Consistent	Consistent
MSA 0960	Consistent	Consistent	Consistent
MSA 2335	Consistent	Below	Consistent
MSA 3610	Consistent	Consistent	Consistent
MSA 8680	Consistent	Consistent	Consistent
Non-MSA Group A	Consistent	Consistent	Consistent
Non-MSA Group B	Consistent	Consistent	Consistent
Non-MSA Group C	Consistent	Consistent	Consistent

Note: M&T's investments include statewide investments that are considered in the evaluation of performance in the various assessment areas.

STATE

CRA RATING FOR PENNSYLVANIA: OUTSTANDING.

The lending test is rated: High satisfactory.

The investment test is rated: Outstanding.

The service test is rated: Outstanding.

Major factors supporting the rating follow:

- The bank had an excellent level of community development loans and qualified investments.
- The volume of M&T's HMDA-related and small business loans originated or purchased represented good responsiveness to the credit needs in Pennsylvania.
- The geographic distribution of HMDA-related and small business loans reflected good penetration.
- The distribution of loans among borrowers of different income levels and businesses of different sizes was good.
- Delivery systems were readily accessible to all portions of the bank's assessment area.

SCOPE OF EXAMINATION

For the Pennsylvania state rating, a full review was conducted for the assessment areas of CMSA 6162 (Philadelphia-Wilmington-Atlantic City, PA-NJ-DE-MD), MSA 3240 (Harrisburg-Lebanon-Carlisle, PA), MSA 7560 (Scranton-Wilkes-Barre-Hazleton, PA), MSA 0280 (Altoona, PA) and MSA 8050 (State College, PA). In addition, a full scope review was conducted for one non-MSA area that includes the contiguous Pennsylvania counties of Northumberland, Schuylkill, Clearfield, Clinton, Montour, Snyder and Union. A limited review of the bank's performance in the other Pennsylvania assessment areas not specifically noted are also included in this evaluation. Performance in these limited review areas had no impact on conclusions regarding the bank's performance in Pennsylvania.

In arriving at conclusions, CMSA 6162 (Philadelphia-Wilmington-Atlantic City, PA-NJ-DE-MD), MSA 3240 (Harrisburg-Lebanon-Carlisle, PA) and MSA 7560 (Scranton-Wilkes-Barre-Hazleton, PA) received the most consideration as they represent the greatest concentration of M&T's deposit and lending activity in Pennsylvania.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN PENNSYLVANIA

M&T operated 162 retail branches in the Pennsylvania assessment area as of December 31, 2001. As of June 30, 2001, the bank controlled a 4 percent share of the retail deposit market in the state. Approximately 79 percent or \$4 billion of the bank's branch deposits are in the full-scope review assessment areas.

The considerable presence in Pennsylvania is the result of the previously noted merger with Keystone Financial Bank. Before this transaction in October 2000, M&T had branches in only MSA 7560 (Scranton-Wilkes-Barre-Hazleton, PA), which have been operating since April 1, 1998. Therefore, the bank was in transition in Pennsylvania, working on product, systems and staff integration during the examination period.

The Pennsylvania assessment area, as defined on pages BB3 and BB4, is concentrated in the eastern and central portions of the state. The CMSA 6162 (Philadelphia, PA) assessment area represents the only large metropolitan region with almost 3 million or 46 percent of the total Pennsylvania assessment area population residing here. Only 17 percent of M&T branches, however, are located in the CMSA 6162 assessment area.

The other assessment areas, which contain most of M&T's branches, are more rural in nature and have one or two cities with populations representing the most promising opportunities for lending. The 2000 Census indicates that the population in these assessment areas has declined since 1990. The population loss is generally associated with weak local economies resulting from job losses related to steep declines in the mining and manufacturing industries. According to the 2000 Census, the remaining population has a large percentage of residents aged 65 and over, a situation that generally limits HMDA-related lending opportunities.

The rural assessment areas urgently need small business and economic development lending to help revitalize local communities. Therefore, the Commonwealth of Pennsylvania has established "Keystone Opportunity Zones" throughout the state to encourage economic growth and investment in specific underdeveloped or underutilized areas by eliminating state and local taxes.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN PENNSYLVANIA

LENDING TEST

M&T's performance is rated "high satisfactory" based on good performance in MSA 7560 (Scranton-Wilkes-Barre-Hazleton, PA), MSA 3240 (Harrisburg-Lebanon-Carlisle, PA), CMSA 6162 (Philadelphia, PA), and MSA 8050 (State College, PA), and adequate performance in MSA 0280 (Altoona, PA) and Non-MSA Group B.

The facts and data used to evaluate the bank's performance are available in the Pennsylvania section of Appendix D. Lending activity, including community development loans, is depicted in Pennsylvania Table 1, geographic distribution in Pennsylvania Tables 2-6, and borrower characteristics are depicted in Pennsylvania Tables 8-11.

Lending Activity: M&T's responsiveness to credit needs in the Pennsylvania assessment area was good based on good performance in MSA 7560 (Scranton-Wilkes-Barre-Hazleton, PA), MSA 3240 (Harrisburg-Lebanon-Carlisle, PA), MSA 8050 (State College, PA), and CMSA 6162 (Philadelphia, PA), as well as adequate performance in MSA 0280 (Altoona, PA) and Non-MSA Group B.

During the examination period, M&T and its affiliates originated or purchased 8,894 HMDA-related and 2,153 small business loans in the Pennsylvania assessment area. Approximately 80 percent of this activity occurred in 2001 following the M&T merger with Keystone. Most lending was concentrated in the CMSA 6162 (Philadelphia, PA) and MSA 7560 (Scranton-Wilkes-Barre-Hazleton, PA) assessment areas (19 percent and 17 percent, respectively). The Pennsylvania assessment areas represented approximately 26 percent of the bank's total deposits in 2001, the first full year of operation in the expanded Pennsylvania assessment area. In the same year, HMDA-related and small business lending in the Pennsylvania assessment area represented approximately 27 percent of such lending analyzed at this examination.

Geographic and Borrower Distribution: The overall geographic distribution of loans was good based on good performance in MSA 3240 (Harrisburg-Lebanon-Carlisle, PA), MSA 8050 (State College, PA) and MSA 7560 (Scranton-Wilkes-Barre-Hazleton, PA), and adequate performance in CMSA 6162 (Philadelphia, PA), Non-MSA Group B and MSA 0280 (Altoona, PA).

The overall distribution of loans among borrowers of different income levels and businesses of different sizes was good based on good performance in CMSA 6162 (Philadelphia, PA), MSA 3240 (Harrisburg-Lebanon-Carlisle, PA), MSA 0280 (Altoona, PA) and MSA 8050 (State College, PA). Meanwhile, performance in MSA 7560 (Scranton-Wilkes-Barre-Hazleton, PA) and Non-MSA Group B was good. Overall HMDA-related lending was considered good primarily because of good performance with respect to moderate-income borrowers. Performance with respect to low-income borrowers was adequate but consistent with performance context.

The bank's borrower distribution performance relative to home purchase loans was enhanced through the "Opportunity Loan," an innovative product offered in the Pennsylvania assessment area. The Opportunity Loan is a fixed rate mortgage targeted to LMI buyers (having less than 80 percent of median family income) and featuring a lower-than-normal down payment, pre-purchase counseling, and the option of an M&T loan at 6 percent to finance closing costs. The product resulted in 286 loans totaling \$23 million during the evaluation period. In addition, the bank's other innovative and/or flexible mortgage products such as "Get Started Mortgages" and FHA mortgages enhanced the bank's performance.

Community Development Loans: During the evaluation period, M&T's community development lending performance in the overall Pennsylvania assessment area was good based on excellent performance in MSA 0280 (Altoona, PA) and Non-MSA Group B, adequate performance in MSA 3240 (Harrisburg-Lebanon-Carlisle, PA) and CMSA 6162 (Philadelphia-Wilmington-Atlantic City, PA-NJ-DE-MD), and poor performance in MSA 7560 (Scranton-Wilkes-Barre-Hazleton, PA) and MSA 8050 (State College, PA). Commitments totaled \$43 million, or 15 percent, of the bank's total dollars of community development loans. The bank also issued \$5 million in letters of credit to support an economic development initiative. Most community development lending was extended in MSA 0280 (Altoona, PA), with \$26 million or 60 percent, and in Schuylkill County, with \$16 million or 37 percent of the Pennsylvania assessment area total.

M&T's community development lending in Pennsylvania targeted affordable housing, an identified credit need. Commitments for affordable housing totaled \$16 million. Community development lending activity also included \$26 million for economic development commitments, and the remainder focused on community services and revitalization and stabilization projects.

INVESTMENT TEST

Considering the level of opportunities and the limited time the bank has operated in most of the assessment areas in the state, M&T had an excellent level of qualified community development investments that exhibited strong responsiveness to credit and community development needs.

Performance was excellent in MSA 3240 (Harrisburg-Lebanon-Carlisle, PA), good in CMSA 6162 (Philadelphia, PA) and Non-MSA Group B, and adequate in MSA 7560 (Scranton-Wilkes-Barre-Hazleton, PA), MSA 0280 (Altoona, PA) and MSA 8050 (State College, PA). For details, see Pennsylvania Table 14 .

Qualified investments totaled \$11.4 million or 20 percent of the bank's total qualified investments. This includes a \$2.3 million investment in an SBIC (small business investment company) to provide debt financing for small and medium-sized manufacturing, distribution and service companies throughout the eastern region of Pennsylvania. This regional investment benefits all the bank's Pennsylvania assessment areas. Also included was \$1.5 million in investments in various agencies engaged in community revitalization and over \$1 million in charitable grants and contributions to organizations supporting community development projects and programs.

The highest volume of qualified investments was in MSA 4000 (Lancaster, PA), a limited review assessment area, where activity totaled \$3 million or 27 percent of total investments in the Pennsylvania assessment area. Among assessment areas subject to full scope review, the highest amount of qualified investments were made in MSA 3240 (Harrisburg-Lebanon-Carlisle, PA), where activity totaled \$1.2 million or 11 percent of total investments in the Pennsylvania assessment area.

Approximately \$6 million or 53 percent of qualified investments are LIHTCs, which are considered complex because of accounting and monitoring requirements.

M&T's investments showed excellent responsiveness to the most pressing credit and community development needs in the bank's assessment areas. Approximately 60 percent of investments were directed to agencies that support affordable housing development, a primary credit need in the bank's assessment areas. Twenty-four percent of activity was directed to economic development, including local CDFIs providing direct loans to very small businesses. This helps to meet small business credit needs, which were identified as an important need in the Pennsylvania assessment areas because of weak economies in the rural portions of the areas.

SERVICE TEST

M&T is rated "outstanding" on the service test based on excellent delivery of retail and community development services in all assessment areas except for CMSA 6162 (Philadelphia, PA), where performance was good.

Retail Services: The bank's branch delivery systems were readily accessible to all geographies and individuals of different income levels in the assessment area. As discussed in the Institution section, M&T's multiple alternative delivery systems enhanced distribution of banking services throughout the Pennsylvania assessment area, including an extensive ATM network. Products and services did not vary in a way that inconvenienced LMI geographies and LMI individuals. Extended hours are routine at most branch offices.

Community Development Services: Considering the limited time the bank had been operating in the assessment area, M&T provided a high level of community development services throughout the assessment area. The bank conducted or participated in numerous seminars and workshops providing instruction on financial literacy and, mainly, affordable housing. To provide technical assistance, bank officers and employees served on boards and committees of nonprofit organizations addressing the needs of LMI individuals and geographies.

METROPOLITAN AREAS

(FULL REVIEW)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MSA 7560 (SCRANTON-WILKES-BARRE-HAZLETON, PA)

Located in northeastern Pennsylvania, MSA 7560 includes Lackawanna, Luzerne, Columbia and Wyoming Counties. The MSA is a highly competitive financial marketplace where large super-regional banks compete with numerous community banks, savings and loan associations, credit unions, and non-bank financial institutions. M&T's primary competitors are PNC Bank, Wachovia Bank (formerly First Union National Bank), Citizens Bank, N.A. (formerly Mellon Bank), and Fleet National Bank.

The bank has been operating in this assessment area since 1998. As of March 31, 2002, M&T maintained 22 branches in MSA 7560, or 14 percent of all M&T retail branches in Pennsylvania. Of the 22 branches, 16, or 73 percent, are located in Luzerne County in or near the cities of Wilkes-Barre, Pittston and Hazleton.

Based on deposits reported to the FDIC as of June 30, 2001, M&T ranks third in MSA 7560, controlling 8 percent of the retail deposit market share. M&T's branches contain approximately \$760 million or 15 percent of the bank's deposits in Pennsylvania.

M&T's performance in the MSA was evaluated in terms of the demographic and business context in which the bank operates. The following demographic and economic information was obtained from publicly available sources including HUD, the U.S. Department of Labor, the Pennsylvania Association of Realtors, and the U.S. Department of Commerce's Bureau of the Census (1990 and 2000).

The discussions below and in Exhibit 7 contain data mainly from the 1990 Census. The 2000 Census findings are used to the extent available in order to provide more relevant performance context information and enhance the lending performance comparisons between M&T and certain demographic characteristics.

PERFORMANCE CONTEXT

Demographic Characteristics

According to the 1990 Census, the MSA has a population of approximately 639 thousand, which has declined almost 3 percent in the last decade. The region's population is also aging. According to 1990 Census data, 19 percent of the MSA population is aged 65 and over, creating some obstacles to lending. Many senior citizens here already own homes or reside in senior citizen housing and thus do not need home purchase loans or refinancings.

Income Characteristics

The HUD-adjusted median family income for MSA 7560 was \$42,200 in 2000 and \$43,300 in 2001. Fifteen of the area's 22 LMI census tracts, or 68 percent, are located in Luzerne County in the cities of Wilkes-Barre, Hazleton and Pittston and in areas near Wilkes-Barre.

The MSA's largest urban area is the city of Scranton in Lackawanna County, where seven LMI census tracts are located. Three of Scranton's LMI tracts have low population levels, and 44 percent of the total population in these geographies are aged 65 and over, and 28 percent are institutionalized persons. Most of the institutionalized persons (93 percent) reside in group homes, nursing homes and college dormitories. The city of Carbondale in northeastern Lackawanna County has one LMI census tract. Columbia County also has one LMI census tract in Berwick Borough. Such demographics limit lending opportunities in LMI geographies.

Housing Characteristics

Of the 267,886 housing units in MSA 7560 (Scranton-Wilkes-Barre-Hazleton, PA), 170,669 or 64 percent are owner-occupied and 75,822 or 28 percent are rental. In LMI tracts, however, the level of owner-occupancy is just 42 percent while rental units account for 53 percent of all housing units. New housing construction is generally concentrated in the more rural portions of the MSA, outside the major cities.

Based on the 1990 Census, the median housing value in the assessment area is \$55 thousand. Current housing prices in the cities have remained near these levels and are affordable to LMI families, particularly with the assistance of special programs. The price of newer homes is unaffordable to LMI families.

The median age of housing stock in the assessment area is 43 years, compared with a state median age of 34 years. The aging housing stock and aging population have created long-term concerns for the continued viability of residences, particularly in the region's urban areas. According to community contacts made before this examination, a frequently mentioned credit needs was housing rehabilitation loans, particularly to the elderly population, in order to preserve the existing older housing base. Down payment and closing cost assistance for first-time LMI home buyers was also a stated need.

Labor, Employment and Economic Characteristics

The Scranton-Wilkes-Barre-Hazleton MSA in northeastern Pennsylvania area encompasses a wide variety of land uses, including the cities of Scranton and Wilkes-Barre, small towns along the Susquehanna River, and mountain areas with ski resorts and upscale homes. A major coal mining center in the early 20th century, the area suffered greatly since the decline of that industry. The economy has become more diversified, with manufacturing businesses gaining a foothold. The introduction of high-

tech manufacturing to the area boosted the economy, although this sector is feeling the effects of the latest economic downturn.

The area's lower-cost office space and proximity to New York and Philadelphia has proven important to the service, transportation and distribution businesses. However, manufacturing still represents almost 20 percent of the MSA's employment (compared with 16 percent in Pennsylvania as a whole), with services at 30 percent, retail trade at 18 percent, and government at 12 percent of employment.

The largest employers in the MSA are federal, state and local governments, health and human services provider Allied Services, manufacturers WEA Manufacturing and Techneglas, and health care entities Community Medical Center, Wyoming Valley Health Care Systems, and Blue Cross and Blue Shield Association. Because about 19 percent of residents are senior citizens (a percentage that is increasing), the health care industry will continue to be an important part of the economy. At present it provides 11 percent of total employment in the MSA. In addition, the significant number of ski and vacation resorts has contributed to an increase in the number of small businesses established to provide related services.

Parts of Lackawanna and Luzerne Counties have been designated by the Commonwealth of Pennsylvania as Keystone Opportunity Zones. In MSA 7560, these zones include parts of the cities of Scranton, Wilkes-Barre, Hazleton, Pittston and Carbondale, as well as several rural areas.

The unemployment rate in the Scranton-Wilkes-Barre-Hazleton MSA has historically been higher than both the state and national averages. The unemployment rate of 4.7 percent in 2000 increased to 5.4 percent the following year.

In the report "Community Profile for Lenders: Scranton-Wilkes-Barre-Hazleton, PA PMSA," published in July 2001 by the Federal Reserve Bank of Philadelphia's Consumer and Community Affairs Department, community leaders spoke of the following assessment area credit needs: (1) lending products or services such as low-cost home improvement and rehabilitation loans, (2) specialized lending products, particularly affordable mortgage products for first-time home buyers with down payment and closing cost assistance, (3) financing for start-up and micro-businesses, and (4) financing for community projects and nonprofit groups.

The community leaders interviewed for the report on credit needs and opportunities in this assessment area included bankers and officials of community organizations and local government.

EXHIBIT 7								
Assessment Area Demographics								
MSA 7560 (Scranton-Wilkes-Barre-Hazleton, PA)								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	2	1.1	280	0.2	88	31.4	31,681	18.4
Moderate-income	22	11.6	15,147	8.8	2,592	17.1	32,447	18.9
Middle-income	145	76.7	133,673	77.7	10,077	7.5	42,470	24.7
Upper-income	20	10.6	22,847	13.3	849	3.7	65,349	38.0
NA	0	0.0	0	0.0	0.0	0.0	0	0.0
Total Assessment Area	189	100.0	171,947	100.0	13,606	7.9	171,947	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	1,494	23	0.0	1.5	1,325	88.7	146	9.8
Moderate-income	26,887	11,850	7.0	44.1	12,974	48.2	2,063	7.7
Middle-income	207,503	135,024	79.1	65.1	55,133	26.6	17,346	8.3
Upper-income	32,002	23,772	13.9	74.3	6,390	19.9	1,840	5.8
NA	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	267,886	170,669	100.0	63.7	75,822	28.3	21,395	8.0
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	899	3.4	762	3.4	85	4.0	52	3.7
Moderate-income	3,035	11.6	2,630	11.6	270	12.7	135	9.6
Middle-income	18,235	69.7	15,801	69.8	1,462	68.9	972	69.5
Upper-income	3,995	15.3	3,449	15.2	306	14.4	240	17.2
Tract not reported	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	26,164	100.0	22,642	100.0	2,123	100.0	1,399	100.0
Percentage of Total Businesses:				86.5		8.1		5.4

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 7560 (SCRANTON-WILKES-BARRE-HAZLETON, PA)

LENDING TEST

M&T's overall performance with respect to the lending test in this MSA was good. Lending activity, geographic distribution of loans and the distribution of loans among borrowers of different income levels all were good. Community development lending was very poor and needs to improve.

The facts and data used to evaluate the bank's performance are shown in the Pennsylvania section of Appendix D. Lending activity is depicted in Pennsylvania Table 1, geographic distribution is depicted in Pennsylvania Tables 2-6, and borrower characteristics are depicted in Pennsylvania Tables 8-11.

Lending Activity: M&T's responsiveness to retail credit needs in this assessment area was good. In 2000, M&T and its affiliates ranked sixth in HMDA-related loans with 3 percent of the number and 2 percent of the dollar amount of such loan originations and purchases. The market leader is PNC Bank, with 9 percent of all such transactions, followed by First Union National Bank (now Wachovia) with 7 percent. In small business lending, M&T and its affiliates rank 11th among bank lenders operating in the assessment area. This market is dominated by GE Capital Financial, Inc., American Express Centurion, Capital One, FSB, and Advanta Bank Corporation, which together extended 54 percent of all small business loans. M&T and its affiliates reported 3 percent of the number and 9 percent of the dollar amount of all small business loans.

During the examination period, M&T and its affiliates reported 1,402 HMDA-related loans (466 home purchase loans, 565 refinancings, 370 home improvement loans and 1 multifamily loan) and 527 small business loans. Seventeen percent of HMDA-related loans and small business loans evaluated in Pennsylvania were in this assessment area. Branch deposits in the MSA represent 15 percent of the bank's deposits in Pennsylvania.

Geographic Distribution of Lending: The overall distribution of loans reflected good loan penetration in the various income geographies of the MSA. Because of the small number of low-income tracts in this MSA, analysis of low-income tract performance was not meaningful and conclusions were based on moderate-income tract performance.

Home Purchase Loans

Compared with the level of owner-occupied housing units and the performance of the aggregate, the geographic distribution of home purchase loans was good. The level of lending in moderate-income geographies was generally consistent with the level of owner-occupied housing units but performance lagged behind that of the aggregate.

Refinancings

The overall geographic distribution of refinancings across census tracts of different income levels reflected adequate penetration when compared with the level of owner-occupied housing units and the performance of the aggregate. As previously noted, refinancings are not a primary business line for the bank.

Home Improvement Loans

Compared with the level of owner-occupied housing units and the performance of the aggregate, the overall geographic distribution of home improvement loans across census tracts of different income

levels reflected good penetration. Home improvement loans are an important credit need in the assessment area because of the age of the population and the housing stock.

Small Loans to Businesses

The geographic distribution of small loans to businesses across census tracts of different income levels reflected good penetration throughout the MSA when compared with the number of small business locations. The number of small loans to businesses in moderate-income geographies was excellent and exceeded the performance of the aggregate. The aggregate of lenders reported some loans in low-income geographies, but the bank and its affiliates did not.

Distribution by Borrower Income and Revenue Size of the Business: The overall borrower distribution of loans across borrower income levels reflected good performance.

Home Purchase Loans

The distribution of home purchase loans across borrower income levels reflected good distribution. M&T's home purchase lending to moderate-income borrowers was excellent when compared with the percentage of moderate-income families and the performance of the aggregate. The bank's home purchase lending to low-income borrowers was poor and lagged behind the aggregate. Neither M&T's nor the aggregate's performance compared favorably with the level of low-income families, indicating limited lending opportunities. Many low-income families are senior citizens who do not need home purchase loans.

Refinancings

The distribution of refinancings across borrower income levels reflected adequate distribution. The bank's level of refinancings to moderate-income borrowers was good when compared with the percentage of moderate-income families. This performance trailed the aggregate's performance, however. The bank's refinancings to low-income borrowers was poor and trailed the aggregate.

Home Improvement Loans

The distribution of home improvement loans across borrower income levels reflected excellent distribution. M&T's home improvement lending to moderate-income borrowers was excellent when compared with the percentage of moderate-income families residing in the area and the aggregate's performance. The bank's number of home improvement loans to low-income borrowers was good and exceeded the aggregate.

Small Loans to Businesses

The distribution of small loans to businesses of different sizes was good. The size of small loans to businesses averaged \$119 thousand, an amount that would meet the credit needs of smaller businesses.

Of all small business loans in MSA 7560 (Scranton-Wilkes-Barre, PA), 77 percent were for \$100 thousand or less. A review of the aggregate, net of large volume credit card lenders, revealed that 79 percent of the aggregate's small business loans were for \$100 thousand or less.

M&T's percentage of small business loans made to businesses with GAR of \$1 million or less was lower when compared with the number of business establishments in the assessment area with GAR of \$1 million or less. The bank's performance exceeded the aggregate's, however. In addition, a large number of M&T's small business loans (17 percent) did not consider the GAR of the borrower in its credit decision, and thus could not be included in the analysis. The bank's management indicated that these loans generally include credit card and automobile loans originated using a credit-scoring system that disregards revenue size of the business.

Community Development Lending: Community development lending was very poor and needs to improve. The bank originated no community development loans in this MSA.

INVESTMENT TEST

Based on the impact of statewide investments and those made directly in the assessment area as well as available opportunities, the level of qualified investments was adequate. Direct investments totaled \$62 thousand. Investments included a \$50 thousand grant to an apartment complex that provides Section 8 housing, and \$12 thousand in charitable grants and donations to organizations that provide community services and affordable housing. For details, see Pennsylvania Table 14.

SERVICE TEST

The bank's performance under the service test in MSA 7560 (Scranton-Wilkes-Barre-Hazleton, PA) is rated "outstanding." The rating is based on excellent delivery of retail services and M&T's key role in providing community development services.

Retail Services: Overall, delivery systems were readily accessible to all portions of the assessment area when considering the percentage of population residing in LMI geographies. For details, see Pennsylvania Table 15. Of the 22 branches in the MSA, 4 (18 percent) are located in LMI geographies. In addition, seven branches in non-LMI geographies are located adjacent to LMI geographies and accessible to persons and businesses in LMI geographies.

M&T used multiple alternative delivery systems that effectively enhanced distribution of banking services throughout the MSA, as discussed in the Institution section of this report. The bank maintained 25 on-site ATMs and 11 off-site ATMs in the MSA. Five or 20 percent of the on-site ATMs are located in LMI geographies, and 3 or 27 percent of the off-site ATMs are located in LMI geographies. All ATMs operate 24 hours a day.

Changes in branch locations improved the accessibility of the bank's delivery systems in the MSA overall. Six branches acquired from Keystone opened during the review period; one in a moderate-income geography and five in non-LMI geographies. Also, two branches closed during the review period and were consolidated into other locations. One was in a moderate-income geography. These changes did not adversely affect the accessibility of the bank's delivery system, particularly in LMI geographies or to LMI individuals.

Branch products and services did not vary in a way that inconvenienced LMI geographies and LMI individuals. Branch hours were reasonable and tailored to the needs of the community. Approximately 86 percent of the branches provided extended hours on weekdays and/or weekends.

Community Development Services: M&T displayed a high level of responsiveness to the needs of LMI individuals and community development organizations through seminars and technical assistance. M&T participated in nine seminars, workshops and conferences on community development, NHS products, FHA, and "Get Started Mortgages."

M&T officers and employees provided technical assistance by serving on boards and committees of community groups serving the needs of LMI persons and areas. These organizations include realtors, Consumer Credit Counselors, and the Scranton NHS.

M&T employees provided support to businesses in LMI communities by assisting with the Metroaction Loan Fund. This fund is a program of the Greater Scranton Chamber of Commerce, which works with applicants for bank services who are inadequately prepared to go into business. The bank will refer clients to this organization to develop business plans or fiscal resources.

METROPOLITAN AREAS

(FULL REVIEW)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MSA 3240 (HARRISBURG-LEBANON-CARLISLE, PA)

The Harrisburg-Lebanon-Carlisle, PA, MSA in south central Pennsylvania includes Cumberland, Dauphin, Lebanon and Perry Counties. The city of Harrisburg, located in Dauphin County, is Pennsylvania's state capital. The MSA is a highly competitive financial marketplace where large super-regional banks compete with numerous community banks, savings and loan associations, and non-financial institution lenders. M&T's primary competitors in the assessment area are PNC Bank, N.A., Wachovia, and Citizens Bank. Before its acquisition by M&T, Keystone Financial Bank had a large presence in this market. Harrisburg was Keystone's corporate headquarters.

M&T operates 20 branches in MSA 3240, or 12 percent of all the bank's retail branches in Pennsylvania. Branches are located mainly in Dauphin and Cumberland Counties, with a limited presence in Perry and Lebanon Counties. Based on deposits reported to the FDIC as of June 30, 2001, M&T ranks sixth in MSA 3240, controlling 6 percent of the retail deposit market share. M&T's branches contain \$502 million or 10 percent of total M&T deposits in Pennsylvania.

M&T's performance in the MSA was evaluated in terms of the demographic and business context in which the bank operates. The following demographic and economic information was obtained from publicly available sources including HUD, the U.S. Department of Labor, the Pennsylvania Association of Realtors, and the U.S. Department of Commerce's Bureau of the Census (1990 and 2000).

The discussions below and in Exhibit 8 contain data mainly from the 1990 Census. The 2000 Census findings are used to the extent available in order to provide more relevant performance context information and enhance the lending performance comparisons between M&T and certain demographic characteristics.

PERFORMANCE CONTEXT

Demographic Characteristics

According to the 1990 Census, the assessment area portion of the MSA has a population of 588 thousand, with 73 percent of that population residing in Dauphin and Cumberland Counties.

Income Characteristics

The HUD-adjusted median family income for MSA 3240 (Harrisburg-Lebanon-Carlisle, PA) was

\$50,300 in 2000 and \$52,400 in 2001. Thirteen of the MSA's 23 LMI census tracts, or 57 percent, are located in the city of Harrisburg in Dauphin County. Three LMI census tracts are located in the city of Lebanon (Lebanon County) and two are in the city of Carlisle (Cumberland County).

Housing Characteristics

Of the 241,489 housing units in the MSA, 155,621 or 64 percent are owner-occupied, and 70,732, or 29 percent, are rental. In LMI tracts, however, the level of owner-occupancy is 39 percent while rental units account for 49 percent of all housing units, thus limiting HMDA-related lending opportunities. Based on the 1990 Census, the median housing value in the assessment area is \$69 thousand. The median age of housing stock in the assessment area is 32 years, indicating a need for home improvement loans.

Labor, Employment and Economic Characteristics

Situated in south central Pennsylvania, the Harrisburg-Lebanon-Carlisle MSA supports a diverse group of manufacturers, transport companies, wholesale and retail merchandisers, and service businesses. Agriculture also plays a key role in the area. Although the MSA's economy has slowed following a general slowdown in the domestic economy, it is buffered by a low dependence on manufacturing compared with other Pennsylvania metropolitan areas. The state government is the largest employer in the MSA. The largest private sector employers include Hershey Foods Corporation, Pennsylvania Blue Shield, Naval Support Activity of Mechanicsburg, Penn State Hershey Medical Center, and Pinnacle Health Systems.

Overall, housing costs are low relative to other eastern metropolitan areas. State government lends long-term stability to the area, and the industry base is sufficiently diverse to support anticipated growth. The unemployment rate in the MSA increased from 2.3 percent in 2000 to 3.2 percent in 2001. Because of the concentration of government agencies in the area, the area's unemployment rate is consistently the lowest in the state.

Perry County, one of the four counties that make up the Harrisburg-Lebanon-Carlisle MSA, is one of the most rural counties in the state, but because of its proximity to the greater Harrisburg and Carlisle areas, it is closely aligned with other counties in the MSA. Agriculture is a significant component of the county's economy, and because it lacks commercial and industrial work centers, Perry County has one of the state's highest rates of workers commuting outside the county. About 70 percent of workers commute to jobs outside the county. Residents commute to jobs in Harrisburg, the state capital located in neighboring Dauphin County, and Carlisle in Cumberland County. Perry County's largest employer is the Perry West School District.

The **city of Lebanon** is located 25 miles east of Harrisburg. Between 1960 and 1990, the city's population declined. The most important factor in this downward trend was the demise of the city's once strong industrial base. Large employers such as Bethlehem Steel left the city. The reduction of Lebanon's industrial base has not only affected the city's population but has negatively impacted the cost

and condition of the housing stock. As the number of higher paying industrial jobs fell, younger families moved to other areas for employment. Those who remained in the city were older residents. The city has recently shown signs of revival and has stimulated economic development and private investment through its enterprise zone program and other incentives.

EXHIBIT 8								
Assessment Area Demographics								
MSA 3240 (Harrisburg-Lebanon-Carlisle, PA)								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	4	3.1	3,566	2.2	1,351	37.7	24,975	15.7
Moderate-income	19	15.0	14,043	8.8	2,167	15.4	30,615	19.3
Middle-income	88	69.3	108,832	68.5	4,403	4.0	44,585	28.0
Upper-income	15	11.8	32,502	20.5	508	1.6	58,768	37.0
NA	1	0.8	0	0.0	0	0.0	0	0.0
Total Assessment Area	127	100.0	158,943	100.0	8,429	5.3	158,943	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	6,696	1,861	1.2	27.8	3,856	57.6	979	14.6
Moderate-income	27,267	11,400	7.3	41.8	12,658	46.4	3,209	11.8
Middle-income	163,539	109,199	70.2	66.8	45,117	27.6	9,223	5.6
Upper-income	43,987	33,161	21.3	75.4	9,101	20.7	1,725	3.9
NA	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	241,489	155,621	100.0	64.4	70,732	29.3	15,136	6.3
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low-income	368	1.4	313	1.4	30	1.4	25	1.5
Moderate-income	3,797	14.1	3,219	14.0	265	12.7	313	18.2
Middle-income	17,503	65.2	15,155	65.7	1,302	62.3	1,046	60.8
Upper-income	5,197	19.3	4,368	18.9	494	23.6	335	19.5
Tract not reported	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	26,865	100.0	23,055	100.0	2,091	100.0	1,719	100.0
Percentage of Total Businesses:				85.8		7.8		6.4

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 3240 (HARRISBURG-LEBANON-CARLISLE, PA)

LENDING TEST

M&T's overall performance with respect to the lending test in this MSA was good. Lending activity, geographic distribution of loans, and distribution of loans among borrowers of different income levels were good. Community development lending was adequate.

The facts and data used to evaluate the bank's performance are shown in the Pennsylvania section of Appendix D. Lending activity is depicted in Pennsylvania Table 1, geographic distribution in Pennsylvania Tables 2-6, and borrower characteristics are depicted in Pennsylvania Tables 8-11.

Lending Activity: M&T's responsiveness to retail credit needs in this assessment area was good considering the limited time the bank has operated in the assessment area. In 2001, the first full year of M&T's presence in the MSA, the bank and its affiliates originated or purchased 567 HMDA-related loans and 238 small business loans in MSA 3240 (Harrisburg-Lebanon-Carlisle, NY), representing approximately 86 percent of such loans in this MSA for the entire examination period. These loans represent 9 percent of all Pennsylvania loans in 2001. Based on deposit volume as of June 30, 2001, the MSA contains 10 percent of the bank's branch deposits in Pennsylvania.

Geographic Distribution of Lending: The overall distribution of loans reflected good performance in the MSA. Because of the low level of owner-occupied housing units in low-income tracts, conclusions regarding HMDA-related lending are based on performance in moderate-income geographies only.

Home Purchase Loans

Compared with the level of owner-occupied housing units and the performance of the aggregate, the overall geographic distribution of home purchase loans reflected excellent performance. The level of the bank's lending exceeded both the level of owner-occupied housing units and the performance of the aggregate.

Refinancings

The geographic distribution of refinancings was good compared with the level of owner-occupied housing units and the performance of the aggregate. M&T's performance was generally consistent with the level of owner-occupied housing units, but it lagged behind the aggregate.

Home Improvement Loans

Compared with the level of owner-occupied housing units and the performance of the aggregate, the geographic distribution of home improvement loans reflected poor performance. The bank's lending was inconsistent with both the level of owner-occupied housing units in moderate-income geographies and the performance of the aggregate.

Small Loans to Businesses

The geographic distribution of small loans to businesses across census tracts of different income levels reflected good penetration in LMI geographies when compared with the number of small business locations. The number of small loans to businesses in moderate-income geographies was excellent and exceeded the aggregate. Performance in low-income geographies was adequate when compared with the level of small business locations, but trailed the aggregate.

Distribution by Borrower Income and Revenue Size of the Business: The overall borrower distribution of loans across borrower income levels reflected good performance.

Home Purchase Loans

The overall distribution of home purchase loans across borrower income levels was adequate. M&T's home purchase lending to moderate-income borrowers was generally consistent with the level of moderate-income families in the MSA; however, the bank's performance trailed that of the aggregate. Home purchase lending to low-income borrowers was poor when compared with the level of low-income families; however, the aggregate also reflected poor performance, indicating lending barriers such as those discussed in Performance Context.

Refinancings

Overall, the distribution of refinancings across borrower income levels reflected good distribution. The bank's level of refinancings to moderate-income borrowers was excellent, but trailed the aggregate. Refinance lending to low-income borrowers, however, was poor, and the bank was outperformed by the aggregate.

Home Improvement Loans

Home improvement lending across borrower income levels reflected good distribution. The bank's level of refinancings to moderate-income borrowers was good when compared with the percentage of moderate-income families residing in the assessment area but lagged behind the performance of the aggregate. The bank's home improvement lending to low-income borrowers was good and outperformed the aggregate.

Loans to Small Businesses

The distribution of small loans to businesses of different sizes was good. The average size of small loans to businesses was \$117 thousand, an amount that would meet the needs of smaller businesses. Of all small business loans in MSA 3240, 76 percent were for amounts of \$100 thousand or less. A review of the aggregate, net of large volume credit card lenders, reveals that only 69 percent of the aggregate's small business loans were for \$100 thousand or less. For details, see Pennsylvania Table 11.

M&T's percentage of small business loans made to businesses with GAR of \$1 million or less was lower than the number of business establishments in the assessment area with GAR of \$1 million or less.

The bank's performance exceeded the aggregate's, however. In addition, a large number of M&T's small business loans (25 percent) did not consider the GAR of the borrower in its credit decision, and thus could not be included in the analysis. Bank management indicated that these loans generally include credit card and automobile loans, which are decided using a credit-scoring system that does not consider the revenue size of the business.

Community Development Lending: In light of the bank's recent entry into this assessment area and available opportunities, community development lending was adequate. M&T originated two community development loans totaling \$325 thousand, or less than 1 percent of the Pennsylvania overall community development lending.

INVESTMENT TEST

Considering the impact of statewide investments and those made directly in the assessment area, the level of qualified investments was excellent, totaling \$1.2 million. Investments included over \$1 million in LIHTCs and grants totaling \$86 thousand to community development organizations. Affordable housing is a known credit need in the assessment area. For details, see Pennsylvania Table 14.

SERVICE TEST

The bank's performance under the service test in MSA 3240 (Harrisburg-Lebanon-Carlisle, PA) is rated "outstanding." The rating is based on excellent delivery of retail services and M&T's high level of community development services considering its limited time operating the assessment area.

Retail Services: Overall, delivery systems were accessible to all portions of the bank's assessment area when considering the percentage of population residing in LMI geographies. Of the 20 branches in the MSA, 4, or 20 percent, are located in LMI geographies while approximately 13 percent of the MSA population resides in the such geographies. In addition, seven branches in non-LMI geographies are located adjacent to LMI geographies and accessible to persons and businesses in LMI geographies.

M&T used multiple alternative delivery systems that effectively enhanced distribution of banking services throughout the MSA, as discussed in the Institution section of this report. The bank maintained 28 on-site and 17 off-site ATMs in the MSA. Four, or 14 percent, of the on-site ATMs are located in LMI geographies, and five, or 29 percent, of the off-site ATMs are located in LMI geographies. All ATMs are available 24 hours a day.

During the examination period, 25 branches were opened and 5 branches closed as a result of the acquisition of Keystone. Four of the closures and five of the openings were located in LMI geographies, which did not adversely affect the accessibility of the bank's delivery systems. For details, see Pennsylvania Table 15.

Branch products and services did not vary in a way that inconvenienced LMI geographies and LMI individuals. Branch hours were reasonable and tailored to the needs of the community. Approximately 84 percent of the branches provide extended hours on weekdays and/or weekends.

Community Development Services: Based on its limited time in the assessment area, M&T provided a high level of community development services. Its seminars and technical assistance showed a high level of responsiveness to the needs of LMI individuals and community development organizations. M&T participated in four seminars, workshops and conferences on small business start-ups and affordable housing. The Chamber of Commerce, Housing Council, and the Homebuyers Coalition cosponsored these workshops.

M&T officers and employees provided technical assistance by serving on boards and committees of community groups serving the needs of small businesses and LMI persons and areas. These include various groups providing loan funds for small businesses and promoting economic development.

METROPOLITAN AREAS

(FULL REVIEW)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MSA 0280 (ALTOONA, PA)

The Altoona MSA in central Pennsylvania includes Blair County. The MSA is a competitive financial marketplace where large super-regional banks compete with numerous community banks, savings banks and mortgage companies. M&T's primary competitors are PNC, Wachovia, Citizens Bank, Fleet and Bank of America, N.A.

M&T maintains 12 branches, or 7 percent, of all its retail branches in Pennsylvania. Branches are located mainly in or near the city of Altoona. Based on deposits reported to the FDIC as of June 30, 2001, M&T ranks first in the Altoona MSA, controlling 44 percent of the retail deposit market. M&T's branches contain \$839 million or 17 percent of the bank's deposits in the state.

M&T's performance in the MSA was evaluated in terms of the demographic and business context in which the bank operates. The following demographic and economic information was obtained from publicly available sources including HUD, the U.S. Department of Labor, the Pennsylvania Association of Realtors, and the U.S. Department of Commerce's Bureau of the Census (1990 and 2000).

The discussions below and in Exhibit 9 contain data mainly from the 1990 Census. The 2000 Census findings are used to the extent available in order to provide more relevant performance context information and enhance the lending performance comparisons between M&T and certain demographic characteristics.

PERFORMANCE CONTEXT

Demographic Characteristics

The 1990 Census put the MSA population at 131 thousand, but according to the 2000 Census, the MSA population decreased about 1 percent over the past decade, compared with a 3 percent population increase for the state and 13 percent increase for the U.S. Altoona is an aging metropolitan area, with 17 percent of the population aged 65 and over, and 24 percent of the population between the ages of 45 and 64. About 40 percent of the population in the MSA resides in the city of Altoona. A high concentration of senior citizens generally indicates limited opportunities for home purchase lending because many seniors already own a home.

Income Characteristics

The HUD-adjusted median family income for MSA 0280 (Altoona, PA) was \$38,300 in 2000 and \$39,500 in 2001. All five of the MSA's LMI census tracts are located in Altoona, the only urban area in the MSA. Fourteen percent of the MSA population resides in these LMI census tracts.

Housing Characteristics

Of the 54,349 housing units in the MSA, 36,517, or 67 percent, are owner-occupied and 13,815, or 25 percent, are rental. In LMI tracts, however, the level of owner-occupied housing units is 44 percent and equals the level of rental units.

Based on the 1990 Census, the median housing value in the assessment area is \$40 thousand. The median age of housing stock in the MSA is 37 years, compared with a state median age of 34 years, indicating a need for home improvement loans. Poor demographic trends have kept housing prices low, leading to extremely affordable housing in the area. The flight of young people and the lack of an educated workforce deter business expansions and relocations, and lead to more out-migration by residents seeking better opportunities elsewhere.

Labor, Employment and Economic Characteristics

Altoona's economy is weak. Despite this small metropolitan area's significant decline in manufacturing industry jobs since last year, the rest of its economy showed some growth, primarily as a result of small employment gains in the service and retail industries. The health care industry also continues to grow. Altoona is the healthcare hub for surrounding counties, and its share of health services employment is well above the national average.

The largest employers in the MSA include Northern Suffolk Corporation, Altoona Hospital, New Enterprise Stone and Lime Company, Ward Trucking Corporation and Bon Secours-Holy Family Regional Health Systems. Federal, state and local governments are also major employers in the Altoona MSA. With a senior citizen population at 17 percent and climbing, the health care industry will continue to be an important part of the economy. Health care provides 11 percent of total employment in the MSA, while the services sector provides 27 percent, retail trade 20 percent, manufacturing 17 percent, and government 14 percent.

The unemployment rate in the Altoona MSA has historically surpassed both the state and national rates. The jobless rate in this MSA was 5 percent in 2000, increasing to 5.6 percent the following year. The state unemployment rate was 4.5 percent in 2001. The Commonwealth of Pennsylvania has designated southern Blair County and parts of Altoona as Keystone Opportunity Zones.

EXHIBIT 9								
Assessment Area Demographics								
MSA 0280 (Altoona, PA)								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	1	2.8	299	0.8	107	35.8	6,866	19.1
Moderate-income	4	11.1	4,092	11.4	887	21.7	6,720	18.6
Middle-income	26	72.2	27,381	75.9	2,754	10.1	8,939	24.8
Upper-income	5	13.9	4,279	11.9	220	5.1	13,526	37.5
NA	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	36	100.0	36,051	100.0	3,968	11.0	36,051	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	1,379	151	0.4	10.9	966	70.1	262	19.0
Moderate-income	6,950	3,527	9.7	50.7	2,666	38.4	757	10.9
Middle-income	40,191	28,394	77.7	70.7	9,048	22.5	2,749	6.8
Upper-income	5,829	4,445	12.2	76.2	1,135	19.5	249	4.3
NA	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	54,349	36,517	100.0	67.2	13,815	25.4	4,017	7.4
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	272	5.3	223	5.1	31	7.4	18	6.7
Moderate-income	540	10.6	474	10.7	49	11.8	17	6.3
Middle-income	3,677	72.1	3,185	72.2	287	68.8	205	75.9
Upper-income	609	12.0	529	12.0	50	12.0	30	11.1
Tract not reported	0	0.0	0	0	0	0.0	0	0.0
Total Assessment Area	5,098	100.0	4,411	100.0	417	100.0	270	100.0
Percentage of Total Businesses:				86.5		8.2		5.3

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 0280 (ALTOONA, PA)

LENDING TEST

M&T's overall performance with respect to the lending test in this MSA was adequate. While lending activity and geographic distribution were adequate, the distribution of loans among borrowers of different income levels was good. Community development lending was excellent.

The facts and data used to evaluate the bank's performance are shown in the Pennsylvania section of Appendix D. Lending activity is depicted in Pennsylvania Table 1, geographic distribution is depicted in Pennsylvania Tables 2-6, and borrower characteristics are depicted in Pennsylvania Tables 8-11.

Lending Activity: M&T's responsiveness to retail credit needs in this assessment area was adequate considering the limited time the bank has operated here. During the examination period, the bank and its affiliates reported 668 HMDA-related loans and 180 small business loans. Of those loans, approximately 90 percent were reported in 2001, the first full year of M&T's presence in the MSA. The 2001 loans represent approximately 9 percent of all Pennsylvania loans in 2001. This is inconsistent with the fact that, based on deposit volume as of June 30, 2001, the MSA contains 17 percent of the bank's branch deposits in Pennsylvania.

Geographic Distribution of Lending: The overall geographic distribution of loans reflected adequate loan penetration in the assessment area. Regarding HMDA-related loans, conclusions are based on performance in moderate-income geographies. Less than 0.5 percent of owner-occupied housing units are located in low-income tracts.

Home Purchase Loans

Compared with the level of owner-occupied housing units and the performance of the aggregate, the geographic distribution of home purchase loans in LMI geographies reflected poor penetration. The level of home purchase loans in moderate-income geographies was poor, and the bank's performance substantially trailed the aggregate. Performance in low-income geographies was higher when compared with the number of owner-occupied housing units but lagged behind the aggregate.

Refinancings

The overall geographic distribution of refinance loans in LMI geographies reflected poor performance compared with the level of owner-occupied housing units and the performance of the aggregate. Refinancings in both low- and moderate-income geographies were poor and lagged behind the aggregate.

Home Improvement Loans

Compared with the level of owner-occupied housing units and the performance of the aggregate, the overall geographic distribution of home improvement loans reflected excellent penetration. Home improvement lending in moderate-income geographies was excellent when compared with the level of owner-occupied housing units and the aggregate. Home improvement lending in low-income geographies was poor and lagged behind the aggregate's performance.

Small Loans to Businesses

The geographic distribution of small loans to businesses across census tracts of different income levels reflected excellent penetration throughout the MSA when compared with the number of small business locations. The number of small loans to businesses in moderate-income geographies was excellent and exceeded the aggregate. Performance in low-income geographies was lower when compared with the level of small business locations but lagged behind the aggregate.

Distribution by Borrower Income and Revenue Size of the Business: The overall borrower distribution of loans across borrower income levels reflected good performance.

Home Purchase Loans

Overall, the bank's distribution of home purchase loans across borrower income levels was good. Such lending to moderate-income borrowers was excellent, with performance similar to the aggregate. Home purchase lending to low-income borrowers was adequate considering that neither the bank's nor the aggregate's performance compared favorably with the level of low-income families, reflecting limited lending opportunities because of income levels and the area's economic conditions.

Home Improvement Loans

The overall distribution of home improvement lending across borrower income levels reflected good distribution to LMI borrowers. Home improvement lending to moderate-income borrowers was adequate when compared with the percentage of moderate-income families residing in the area but trailed the aggregate's performance. The bank's home improvement loans to low-income borrowers was excellent and outperformed the aggregate.

Refinancings

The distribution of refinancings across borrower income levels reflected adequate distribution. The bank's level of refinancings to moderate-income borrowers was good, but trailed the aggregate. Refinance lending to low-income borrowers, however, was poor, and the bank was outperformed by the aggregate.

Loans to Small Businesses

The distribution of small loans to businesses of different sizes was good. The average size of small loans to businesses was \$147 thousand, an amount that would meet the needs of smaller businesses. Of all such loans in MSA 0280 (Altoona, PA), 72 percent were for \$100 thousand or less. A review of the aggregate, net of large volume credit card lenders, reveals that 79 percent of the aggregate's small business loans were for \$100 thousand or less.

M&T's percentage of small business loans made to businesses with GAR of \$1 million or less was lower than the number of business establishments in the assessment area with GAR of \$1 million or less. The bank's performance exceeded the aggregate's. In addition, a large number of M&T's small business

loans (24 percent) did not consider the GAR of the borrower in its credit decision, and thus could not be included in the analysis. The bank's management indicated that these loans generally include credit card and automobile loans, which are originated using a credit-scoring system that does not consider revenue size of the business.

Community Development Lending: Community development lending was excellent with three loan originations totaling \$26.2 million, or 61 percent of the overall community development lending in Pennsylvania. These loans were economic development loans originated in a Keystone Opportunity Zone. As previously mentioned, the state government established the Keystone Opportunity Zone program to encourage economic growth and investment in specific underdeveloped or underused areas by eliminating state and local taxes.

INVESTMENT TEST

Considering the impact of statewide investments and those made directly in the assessment area, as well as the limited time the bank has operated in the assessment area, the level of qualified investments was adequate. Direct investments totaled \$189 thousand and included:

- a \$125 thousand grant to an organization that provides housing programs, education, health and social services, community development, and job training to low-income clients and residents of economically distressed neighborhoods; and
- \$64 thousand in grants made to organizations that provide community development services and affordable housing.

For details, see Pennsylvania Table 14 .

SERVICE TEST

Considering the brief time the bank has operated in the assessment area, M&T's performance under the service test in MSA 0280 (Altoona, PA) is rated "outstanding." The rating is based on excellent delivery of retail services and a high level of community development services.

Retail Services: Overall, delivery systems were readily accessible to all portions of the assessment area when considering the percentage of population residing in LMI geographies. For details, see Pennsylvania Table 15. Of the 12 branches in the MSA, 2 (17 percent) are located in LMI geographies. This is nearly equal to the population levels in the LMI geographies. In addition, three branches located in non-LMI geographies are adjacent to LMI geographies and accessible to persons and businesses in LMI geographies.

M&T employed multiple alternative delivery systems that effectively enhanced distribution of banking services throughout the MSA, as discussed in the Institution section of this report. The bank maintained

approximately 16 on-site ATMs and 16 off-site ATMs in the MSA. Two or 13 percent of the on-site ATMs are located in LMI geographies, and two or 13 percent of the off-site ATMs are located in LMI geographies. All ATMs operate 24 hours a day.

Acquired during the Keystone Financial acquisition, 12 branches opened during the review period. Two are located in LMI geographies and ten in non-LMI geographies. No branches were closed. For details, see Pennsylvania Table 15.

Branch products and services did not vary in a way that inconvenienced LMI geographies and LMI individuals. Branch hours were reasonable and tailored to the needs of the community. Eighty-four percent of the branches provided extended hours on weekdays and/or weekends.

Community Development Services: M&T used seminars and technical assistance to show its high level of responsiveness to the needs of LMI individuals and community development organizations in the assessment area. M&T participated in three programs on community development, which included presentations on affordable mortgages and Web banking for LMI business owners.

The bank's officers and employees provided technical assistance by serving on boards and committees of community groups serving the needs of LMI persons and areas; for example, small business start-ups and minority entrepreneurs.

M&T participated in economic revitalization efforts in LMI neighborhoods through the development of small business office space, ongoing support of the Neighborhood Access Center, and housing rehabilitation throughout the neighborhood. Also, the bank participated in the Housing Opportunities of Blair County, which helps LMI families secure and maintain ownership of adequate and decent housing with financial, social and home management counseling.

M&T donated office furniture to the Improved Dwellings for Altoona and Altoona Blair County Development for the year 2001 as part of the bank's in-kind support.

METROPOLITAN AREAS

(FULL REVIEW)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN CMSA 6162 (PHILADELPHIA, PA)

M&T's assessment area portion of the Philadelphia CMSA in southeastern Pennsylvania includes Philadelphia and Delaware Counties and portions of Montgomery, Bucks and Chester Counties in Pennsylvania. Many large regional banking organizations, mortgage companies and growth-oriented community banks dominate this highly competitive financial marketplace. M&T's primary competitors here are PNC Bank, Wachovia, Citizens Bank, Bank of America and Fleet.

M&T operates 27 branches in the CMSA, or 17 percent of all its retail Pennsylvania branches. Based on deposits reported to the FDIC as of June 30, 2001, M&T ranks 15th in the Philadelphia CMSA, with a 1 percent retail deposit market share. The bank's branches contain \$749 million or 15 percent of total M&T deposits in the state.

M&T's performance in the CMSA was evaluated in terms of the demographic and business context in which the bank operates. The following demographic and economic information was obtained from publicly available sources including HUD, the U.S. Department of Labor, the Pennsylvania Association of Realtors, and the U.S. Department of Commerce's Bureau of the Census (1990 and 2000).

The discussions below and in Exhibit 10 contain data mainly from the 1990 Census. The 2000 Census findings are used to the extent available in order to provide more relevant performance context information and enhance the lending performance comparisons between M&T and certain demographic characteristics.

PERFORMANCE CONTEXT

Demographic Characteristics

According to the 1990 Census, the assessment area portion of the CMSA has a population of approximately 3 million. It represents almost half of the total population of M&T's combined Pennsylvania assessment area.

Income Characteristics

The HUD-adjusted median family income for all counties included in the assessment area was \$57,800 in 2000 and \$60,100 in 2001. The CMSA, particularly Philadelphia and Delaware Counties, has a significant number of LMI census tracts. LMI census tracts account for 32 percent of the assessment area's total census tracts and 35 percent of the assessment area population resides within those tracts.

Most LMI census tracts are located in the cities of Philadelphia and Chester, and Upper Darby Township and Darby Borough in Delaware County. After Philadelphia, Chester has the largest number of LMI census tracts. The boroughs of Bristol in Bucks County, West Chester in Chester County and Conshohocken in Montgomery County, and the city of Norristown also have LMI tracts.

Housing Characteristics

Of the 1,235,962 housing units in the assessment area portion of the Philadelphia CMSA, 762,706 or 62 percent are owner-occupied and 376,720 or 31 percent are rental. In LMI census tracts, however, the level of owner-occupancy is 52 percent while rental units account for 35 percent of all housing units. Based on the 1990 Census, the median housing value in the assessment area is \$107 thousand, considerably higher than the state median value of \$69 thousand. For 2001, the National Association of Realtors reported that the median sales price in the Philadelphia MSA had risen to \$135 thousand. Suburban areas have considerably higher housing prices.

Labor, Employment and Economic Characteristics

Philadelphia, the fifth largest city in the U.S., faces social and economic challenges typical of urban areas. The city's population continued to decline, from 1.6 million in 1990 to 1.5 million at the end of 2000. Manufacturing was Philadelphia's traditional economic base, but as a result of plant closings, most of the local work force is service-oriented, with health care the most active segment of the economy. The major employers are governmental (federal, state and city), educational (the University of Pennsylvania, or "Penn," Temple University and the Philadelphia School District), and medical (Jefferson Health System, Merck and Company, Tenet Healthcare Corporation). Another large private-sector employer is PNC Financial Services Group.

The diverse economy of the Philadelphia CMSA overall does not depend on any single major industry or employer. Still, the CMSA's economy slowed during the evaluation period. Total employment growth lags behind both state and national averages. Growth is stalled in nearly all industries, but the drop in the services industry is notable as this has been driving the area's growth over the past several years. The unemployment rate in CMSA 6162 increased from 4 percent in 2000 to 4.2 percent in 2001. Compared with both the CMSA and state jobless levels, unemployment in Philadelphia is higher at 5.8 percent in 2001.

In an effort to address economic and employment setbacks, the city of Philadelphia operates two federally designated Empowerment Zones: the West Philadelphia Empowerment Zone and the North Philadelphia Empowerment Zone. The state also designated these two areas Keystone Opportunity Zones.

In the report "Community Profile for Lenders: Philadelphia County," published in October 2000 by the Consumer and Community Affairs Department of the Federal Reserve Bank of Philadelphia, community leaders cited the following assessment area credit needs: (1) affordable home improvement loan

products; (2) down payment and closing cost assistance for first-time home buyers; (3) commercial and residential real estate development in poorer urban neighborhoods; (4) branch banking services in low-income neighborhoods, particularly low-cost checking accounts; and (5) technical assistance for small businesses.

The community leaders interviewed for the report on credit needs and opportunities in Philadelphia included bankers and officials of community organizations and local government.

EXHIBIT 10								
Assessment Area Demographics								
CMSA 6162 (Philadelphia, PA)								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	85	11.2	76,796	10.0	30,154	39.3	176,481	23.0
Moderate-income	157	20.7	171,250	22.3	27,520	16.1	139,592	18.2
Middle-income	270	35.6	305,897	39.8	13,141	4.3	173,541	22.6
Upper-income	225	29.7	213,907	27.9	3,319	1.6	278,236	36.2
NA	21	2.8	0	0.0	0	0.0	0	0.0
Total Assessment Area	758	100.0	767,850	100.0	74,134	9.7	767,850	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	142,979	58,080	7.6	40.6	60,278	42.2	24,621	17.2
Moderate-income	292,385	169,655	22.3	58.0	93,065	31.8	29,665	10.2
Middle-income	482,511	307,652	40.3	63.7	149,394	31.0	25,465	5.3
Upper-income	317,983	227,285	29.8	71.5	73,940	23.2	16,758	5.3
NA	104	34	0.0	32.7	43	41.3	27	26.0
Total Assessment Area	1,235,962	762,706	100.0	61.7	376,720	30.5	96,536	7.8
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low-income	8,485	7.0	7,282	7.1	734	5.7	469	7.5
Moderate-income	17,010	13.9	14,611	14.2	1,456	11.4	943	15.2
Middle-income	44,416	36.4	37,656	36.6	4,510	35.2	2,250	36.2
Upper-income	51,167	41.9	42,777	41.6	5,883	45.9	2,507	40.4
Tract not reported	914	0.8	627	0.6	246	1.9	41	0.7
Total Assessment Area	121,992	100.0	102,953	100.0	12,829	100.0	6,210	100.0
	Percentage of Total Businesses:			84.4		10.5		5.1

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CMSA 6162 (PHILADELPHIA, PA)

LENDING TEST

M&T's overall performance with respect to the lending test in this CMSA was good. Lending activity and the distribution of loans among borrowers of different income levels were good. The geographic distribution of loans and community development lending both were adequate.

The facts and data used to evaluate the bank's performance are shown in the Pennsylvania section of Appendix D. Lending activity is depicted in Pennsylvania Table 1, geographic distribution in Pennsylvania Tables 2-6, and borrower characteristics are depicted in Pennsylvania Tables 8-11.

Lending Activity: M&T's responsiveness to retail credit needs in this assessment area was good considering the limited time the bank has operated in the assessment area. During the examination period, the bank and its affiliates reported 1,809 HMDA-related loans and 318 small business loans. Of those loans, approximately 77 percent were reported in 2001, the first full year of M&T operation in the CMSA assessment area. The 2001 loans represent approximately 19 percent of all Pennsylvania loans in 2001. Based on deposit volume as of June 30, 2001, the CMSA assessment area contains 15 percent of the bank's branch deposits in Pennsylvania.

Geographic Distribution of Lending: The overall geographic distribution of loans reflected adequate distribution in LMI geographies in the CMSA assessment area.

Home Purchase Loans

Compared with the level of owner-occupied housing units and the performance of the aggregate, the geographic distribution of home purchase loans in LMI geographies reflected good performance. Home purchase lending in moderate-income geographies compared favorably with the level of owner-occupied housing units, and performance exceeded the aggregate. Home purchase lending in low-income geographies was poor but similar to the performance of the aggregate, indicating barriers to lending.

Refinancings

The geographic distribution of refinancings reflected poor penetration in both low- and moderate-income geographies compared with the level of owner-occupied housing units and the performance of the aggregate. Refinance loans are not a primary product at M&T.

Home Improvement Loans

Compared with the level of owner-occupied housing units and the performance of the aggregate, the geographic distribution of home improvement loans reflected adequate performance. Home

improvement lending in moderate-income geographies was adequate when compared with the level of owner-occupied housing units, but lagged behind the aggregate. Home improvement lending in low-income geographies was poor and also lagged behind the aggregate.

Small Loans to Businesses

The geographic distribution of small loans to businesses across census tracts of different income levels reflected adequate distribution throughout the CMSA when compared with the number of small business locations. The bank's level of small loans to businesses in moderate-income geographies was good and exceeded the aggregate. Performance in low-income geographies was poor when compared with the level of small business locations and lagged behind the aggregate.

Distribution by Borrower Income and Revenue Size of the Business: The overall distribution of loans among borrowers of different income levels and businesses of different sizes was good.

Home Purchase Loans

M&T's distribution of home purchase loans among LMI borrowers was excellent compared with the percentage of such families in the assessment area. In both income geographies, the bank's percentage of home purchase loans exceeded the percentage of families and the aggregate's performance.

Refinance Loans

M&T's distribution of refinance loans among borrowers of different income levels was adequate. While the level of loans to moderate-income borrowers was generally consistent with the level of moderate-income families, the bank's performance substantially lagged behind the aggregate. The bank's percentage of loans to low-income borrowers was poor when compared with the percentage of low-income families in CMSA 6162, and performance was very inconsistent compared with the aggregate. M&T management indicated that as part of its business strategy, the bank did not aggressively seek out refinancings.

Home Improvement Loans

The distribution of home improvement loans among LMI borrowers was good. Distribution among moderate-income borrowers was excellent compared with the level of moderate-income borrowers, and the bank outperformed the aggregate. M&T's distribution of home improvement loans to low-income borrowers was good compared with the level of low-income families in the assessment area. However, the bank slightly underperformed the aggregate for home improvement lending to low-income borrowers.

Small Loans to Businesses

M&T's record of lending to businesses of different sizes in CMSA 6162 (Philadelphia, PA) was adequate. Approximately 83 percent of small loans to businesses originated in the assessment area during the examination period were for \$100 thousand or less. The \$88 thousand average for such loans represents an amount that would meet the credit needs of smaller businesses.

Aggregate performance is distorted by a few high-volume credit card lenders such as American Express and Capital One. Reviewing the aggregate's performance after excluding high-volume credit card lenders, 88 percent of the aggregate's small business loans were for \$100 thousand or less.

M&T's percentage of small business loans made to business establishments with GAR of \$1 million or less was lower than the number of businesses in the assessment area with GAR of \$1 million or less. The bank's performance, however, was similar to the aggregate's. In addition, 28 percent of M&T's small business loans were decided without considering the borrower's GAR, and thus could not be included in the analysis. M&T management said these loans generally include credit card and automobile loans originated using a credit-scoring system that disregards revenue size of the business.

Community Development Lending: Community development lending was adequate with three loan commitments totaling \$201 thousand, or less than 1 percent of the Pennsylvania community development lending overall. The bank's recent entry into this assessment area and its strong competition were considered in this conclusion. This assessment area has many opportunities for community development lending, however.

INVESTMENT TEST

Considering the impact of statewide investments and those made directly in the assessment area, as well as the brief time the bank has operated in the assessment area, the level of qualified investments was good. Direct investments totaled \$769 thousand and included:

- a \$430 thousand equity investment in an SBIC focused on minority and women-owned businesses especially in LMI locations;
- a \$100 thousand grant to a community development center to increase self-reliance of LMI residents (particularly in east and southwest Frankford) through housing, economic and workforce development initiatives; and
- \$232 thousand in charitable grants and donations to organizations that promote community services and affordable housing.

For details, see Pennsylvania Table 14 .

SERVICE TEST

M&T's performance under the service test in CMSA 6162 is rated "high-satisfactory," based on accessible delivery of retail services and the bank's role in providing a high level of community development services.

Retail Services: The bank's branches were accessible to essentially all portions of the assessment area considering the level of population and businesses located in the various income geographies. Of M&T's 27 branches in the CMSA assessment area, 5 (19 percent) are located in LMI geographies and 3 in non-LMI geographies adjacent to LMI geographies. These branches were easily accessible to persons and businesses in LMI geographies.

The bank maintains 29 on-site ATMs and 1 off-site ATM. Five of the on-site ATMs (17 percent) are located in LMI geographies, and 4 of the non-LMI ATMs are located adjacent to LMI geographies. All ATMs are available 24 hours a day.

Twenty-seven M&T branches opened during the review period, which were acquired during the Keystone acquisition. No branches were closed. For details, see Pennsylvania Table 15.

Branch products and services did not vary in a way that inconvenienced LMI geographies and LMI individuals. Branch hours are reasonable and tailored to the needs of the community. Approximately 70 percent of branches provided extended hours on weekdays and/or weekends. Branches in the central business district of Philadelphia generally do not have extended hours because of limited weekend traffic.

Community Development Services: M&T provided a high level of community development services in the assessment area considering its limited time in the CMSA. The bank participated in 13 seminars, workshops and conferences on affordable mortgages, first-time home buyers, and FHA lending. The Philadelphia Business Association, the Philadelphia Partnership Associations, and community improvement groups cosponsored the presentations.

M&T officers and employees provided technical assistance by serving on boards and committees of community groups serving the needs of LMI persons and areas. The organizations included the Community Lenders Community Development Corporation, Residential Living Options, Inc. and Frankford Community Development Corporation. M&T also donated furniture to the Salvation Army in 2001 as part of the bank's in-kind support.

METROPOLITAN AREAS

(FULL REVIEW)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MSA 8050 (STATE COLLEGE, PA)

The State College MSA in central Pennsylvania includes Centre County. The MSA is a fairly competitive financial marketplace where several super-regional banks compete with numerous community banks, savings banks and mortgage companies. M&T's primary competitors are PNC Bank, Citizens Bank, Fleet and Wells Fargo Bank, N.A.

M&T operates nine branches, or 6 percent of all its retail branches in Pennsylvania. Branches are located mainly in the central part of the county in the State College and Bellefonte areas. Based on deposits reported to the FDIC as of June 30, 2001, M&T ranks third in the State College MSA, controlling 17 percent of the retail deposit market share. M&T's branches contain about \$245 million or 5 percent of the bank's deposits in Pennsylvania.

The bank's performance in the MSA was evaluated in terms of the demographic and business context in which the bank operates. The following demographic and economic information was obtained from publicly available sources including HUD, the U.S. Department of Labor, the Pennsylvania Association of Realtors, and the U.S. Department of Commerce's Bureau of the Census (1990 and 2000).

The discussions below and in Exhibit 11 contain data mainly from the 1990 Census. The 2000 Census findings are used to the extent available in order to provide more relevant performance context information and enhance the lending performance comparisons between M&T and certain demographic characteristics.

PERFORMANCE CONTEXT

Demographic Characteristics

According to the 1990 Census, the MSA's population was approximately 124 thousand and increased 10 percent during the next decade. This growth is above the 3 percent population increase for the state but below the 13 percent increase for the U.S. The State College MSA has a young, well-educated population. The main campus of Pennsylvania State University ("Penn State") is in State College, and more than 10 percent of the MSA's population is made up of college students living in campus housing, thus limiting HMDA-related lending opportunities.

Income Characteristics

The HUD-adjusted median family income for the State College MSA was \$44,200 in 2000 and \$45,100 in 2001. The MSA has six LMI census tracts, and 21 percent of the MSA population resides in these LMI tracts. Three of the LMI census tracts in the MSA are located in the borough of State College. Eighty percent of the population in these LMI tracts is aged 18 to 24. The remaining three LMI census tracts are in the rural areas of western Centre County.

Housing Characteristics

Of the 46,195 housing units in MSA 8050 (State College, PA), 25,529, or 55 percent, are owner-occupied and 17,154, or 37 percent, are rental. In LMI tracts, however, the level of owner-occupancy is just 39 percent while rental units account for 48 percent of all housing units, severely limiting HMDA-related opportunities, particularly in low-income geographies.

Labor, Employment and Economic Characteristics

Funding for higher education has provided a stable source of growth for the State College economy. Penn State enrollment (41 thousand students) and employees guarantee steady commerce and income for local retailers. Employment is flat in most other State College industries, and manufacturing is in a deep recession. Expansion in the public sector, which accounts for two-fifths of total employment, partially offsets job losses in other industries. Without the stabilizing effect of state spending at the university, the economy would be far worse. State College is virtually an economic oasis surrounded by declining small towns and rural areas with aging workforces.

Overall, the MSA offers a low cost of living and low cost of doing business compared with other metropolitan areas in the northeast U.S. State College also offers other amenities such as abundant retail outlets, restaurants and cultural attractions, but the MSA is in a remote location with poor transportation links to other areas.

Penn State and state government are the MSA's two largest employers. Smaller employers include the Corning Asahi Video Company, Murata Electronics and Centre Community Hospital. The government provides 39 percent of overall employment, while the services sector provides 21 percent, retail trade 16 percent, and manufacturing 12 percent of employment.

The unemployment rate in the State College MSA has historically been lower than both the state and national averages. The jobless rate was 2.5 percent in 2000, increasing to 3.3 percent in 2001, compared with 4.5 percent unemployment for the state in 2001.

EXHIBIT 11								
Assessment Area Demographics								
MSA 8050 (State College, PA)								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	2	7.1	358	1.4	67	18.7	4,505	17.0
Moderate-income	4	14.3	2,999	11.3	316	10.5	5,365	20.3
Middle-income	12	42.9	14,484	54.7	971	6.7	6,274	23.7
Upper-income	9	32.1	8,615	32.6	287	3.3	10,312	39.0
NA	1	3.6	0	0.0	0	0.0	0	0.0
Total Assessment Area	28	100.0	26,456	100.0	1,641	6.2	26,456	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	1,960	40	0.1	2.1	1,737	88.6	183	9.3
Moderate-income	6,016	3,086	12.1	51.3	2,099	34.9	831	13.8
Middle-income	22,634	13,809	54.1	61.0	7,025	31.0	1,800	8.0
Upper-income	15,585	8,594	33.7	55.1	6,293	40.4	698	4.5
NA	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	46,195	25,529	100.0	55.3	17,154	37.1	3,512	7.6
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	569	11.3	483	11.1	51	12.3	35	13.8
Moderate-income	611	12.1	534	12.2	50	12.1	27	10.7
Middle-income	2,066	41.0	1,802	41.3	155	37.4	109	43.1
Upper-income	1,558	31.0	1,347	30.8	148	35.8	63	24.9
Tract not reported	229	4.6	200	4.6	10	2.4	19	7.5
Total Assessment Area	5,033	100.0	4,366	100.0	414	100.0	253	100.0
Percentage of Total Businesses:				86.8		8.2		5.0

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 8050 (STATE COLLEGE, PA)

LENDING TEST

M&T's overall performance with respect to the lending test in this MSA was good. Lending activity and geographic distribution of loans were good, and the distribution of loans among borrowers of different income levels was good. Community development lending was poor.

The facts and data used to evaluate the bank's performance are shown in the Pennsylvania section of

Appendix D. Lending activity is depicted in Pennsylvania Table 1, geographic distribution is depicted in Tables 2-6, and borrower characteristics are depicted in Tables 8-11.

Lending Activity: M&T's responsiveness to retail credit needs in this assessment area was good considering the limited time the bank has operated in the assessment area. During the examination period, the bank and its affiliates reported 486 HMDA-related loans and 105 small business loans. Of those loans, approximately 85 percent were reported in 2001, the first full year M&T operated in the assessment area. The 2001 loans represent approximately 6 percent of all Pennsylvania loans in 2001. Based on deposit volume as of June 30, 2001, the assessment area contains 5 percent of the bank's branch deposits in Pennsylvania.

Geographic Distribution of Lending: The overall distribution of loans reflected good performance in LMI geographies.

Home Purchase Loans

Compared with the level of owner-occupied housing units and the performance of the aggregate, the geographic distribution of home purchase loans in LMI geographies reflected excellent performance. Home purchase lending exceeded the level of owner-occupied housing units and the performance of the aggregate in both areas.

Refinancings

The overall geographic distribution of refinance loans was good compared with the level of owner-occupied housing units and performance of the aggregate. The level of refinancings in moderate-income geographies was good compared with the level of owner-occupied housing units, but lagged behind the aggregate. Opportunities in low-income geographies are extremely limited.

Home Improvement Loans

Compared with the level of owner-occupied housing units and the performance of the aggregate, the geographic distribution of home improvement loans across census tracts of different income levels reflected excellent performance. Home improvement lending in both low- and moderate-income geographies was excellent when compared with the level of owner-occupied housing units and the aggregate.

Small Loans to Businesses

The geographic distribution of small loans to businesses across census tracts of different income levels reflected good penetration compared with the number of small business locations. In both low- and moderate-income geographies, the bank's performance compared favorably with the number of businesses located there, and it exceeded the aggregate.

Distribution by Borrower Income and Revenue Size of the Business: The overall borrower distribution of loans across borrower income levels reflected good performance.

Home Purchase Loans

The distribution of home purchase loans across borrower income levels was good. M&T's home purchase lending to moderate-income borrowers was good, with performance similar to the level of moderate-income borrowers and exceeding the aggregate. Home purchase lending to low-income borrowers was inconsistent with the level of low-income borrowers but generally consistent with the performance of the aggregate. Neither the bank's nor the aggregate's performance compared favorably with the level of low-income families, reflecting limited lending opportunities characteristic of a college community.

Refinancings

The distribution of refinancings across borrower income levels was adequate. The bank's level of refinancings to moderate-income borrowers was good, but trailed the aggregate's. Refinance lending to low-income borrowers was poor and lagged behind the aggregate. Neither the bank's nor the aggregate's performance compared favorably with the level of low-income families, reflecting limited lending opportunities as noted above.

Home Improvement Loans

The distribution of home improvement lending across borrower income levels reflected excellent performance. In both low- and moderate-income geographies, the bank's level of lending exceeded the level of borrowers and the aggregate's performance.

Loans to Small Businesses

The distribution of small loans to businesses of different sizes was good. The average size of small loans to businesses was \$162 thousand, an amount that would meet the needs of smaller businesses. Of all small business loans in MSA 8050 (State College, PA), 64 percent were for \$100 thousand or less. A review of the aggregate, net of large volume credit card lenders, reveals that 68 percent of the aggregate's small business loans were for \$100 thousand or less.

M&T's percentage of small business loans made to businesses with GAR of \$1 million or less was lower than the number of businesses in the assessment area with GAR of \$1 million or less. Performance, however, was similar to the aggregate's. In addition, a large number of M&T's small business loans (24 percent) did not consider the GAR of the borrower in its credit decision, and thus could not be included in the analysis. The bank's management indicated that these loans generally include credit card and automobile loans, which are originated using a credit-scoring system that disregards revenue size of the business.

Community Development Lending: Community development lending was poor. The bank extended no community development commitments during the examination period.

INVESTMENT TEST

Considering the impact of statewide investments and those made directly in the assessment area, as well as the limited time that the bank has operated in this assessment area, the level of qualified investments in the State College MSA was adequate. Direct investments totaled \$29 thousand, including a \$10 thousand grant to a local Habitat for Humanity.

SERVICE TEST

The bank's performance under the service test in MSA 8050 (State College, PA) is rated "outstanding" based on excellent delivery of retail services and the high level of community development services the bank provided.

Retail Services: Overall, delivery systems were readily accessible to all portions of the assessment area when considering the percentage of population residing in LMI geographies. For details, see Pennsylvania Table 15. Of the nine branches in the MSA assessment area, two (22 percent) are located in LMI geographies. Two branches in non-LMI geographies are located adjacent to LMI geographies and easily accessible to persons and businesses in LMI geographies.

M&T's multiple alternative delivery systems effectively enhanced distribution of banking services throughout the MSA assessment area, as discussed in the Institution section of this report. The bank maintained 13 on-site ATMs and 10 off-site ATMs in the MSA. Two of the on-site ATMs (17 percent) are in LMI geographies, and one of the off-site ATMs (10 percent) is in an LMI geography. All ATMs operate 24 hours a day.

Nine M&T branches acquired in the Keystone acquisition opened during the review period. No branches were closed. For details, see Pennsylvania Table 15.

Branch products and services did not vary in a way that inconvenienced LMI geographies and LMI individuals. Branch hours were reasonable and tailored to the needs of the community. Approximately 78 percent of the branches provided extended hours on weekdays and/or weekends.

Community Development Services: Given its limited time in the assessment area, M&T provided a high level of community development services. The bank participated in four seminars, workshops and conferences on community services, economic development, and financing for small businesses. One conference was titled "Get Started Mortgages."

To provide technical assistance, M&T officers and employees served on boards and committees of community groups serving the needs of LMI persons and areas. The groups include Penn State University (“Business Bootcamp”) and the State College Planning Department. M&T employees provided support to businesses in LMI communities by assisting with the Philipsburg Area Revitalization Committee, which promotes economic development for the Centre County Main Street Project.

METROPOLITAN AREAS

(FULL REVIEW)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN PENNSYLVANIA NON-MSA GROUP B (COUNTIES OF NORTHUMBERLAND, SCHUYLKILL, CLEARFIELD, CLINTON, MONTOUR, SNYDER AND UNION)

M&T's Non-MSA Group B assessment area is made up of seven counties across central Pennsylvania that were combined for analytical purposes at this examination. The counties are contiguous and share similar demographic and economic characteristics. Competition with super-regional and regional banks is limited, but numerous community banks, savings banks and mortgage companies operate in the area. M&T's primary competitors in the assessment area are PNC Bank and Wachovia.

M&T maintains 29 branches in this assessment area, representing 18 percent of the bank's retail branches in Pennsylvania. More than half the branches are located in Schuylkill and Northumberland Counties, with the remainder scattered throughout the other five counties. Based on deposits reported to the FDIC as of June 30, 2001, M&T had a 17 percent retail deposit market share. M&T's branches hold \$919 million or 18 percent of its deposits in the state.

The bank's performance in the area was evaluated in terms of the demographic and business context in which the bank operates. The following demographic and economic information was obtained from publicly available sources including HUD, the U.S. Department of Labor, the Pennsylvania Association of Realtors, and the U.S. Department of Commerce's Bureau of the Census (1990 and 2000).

The discussions below and in Exhibit 12 contain data mainly from the 1990 Census. The 2000 Census findings are used to the extent available in order to provide more relevant performance context information and enhance the lending performance comparisons between M&T and certain demographic characteristics.

PERFORMANCE CONTEXT

Demographic Characteristics

The population of Non-MSA Group B is 455 thousand, according to the 1990 Census. More than half this population (55 percent) resides in Schuylkill and Northumberland Counties. The population here is older; 18 percent is over age 65. All the counties are rural in nature with population and businesses concentrated in the various county seats.

Income Characteristics

The 2001 HUD-adjusted median family income for Non-MSA Group B is \$41,400. Non-MSA Group B has 15 LMI census tracts, and 12 percent of the population resides in the LMI census tracts. Sixty percent of the LMI census tracts are in Northumberland and Schuylkill Counties.

Housing Characteristics

Of the 192,535 housing units in the Non-MSA Group B assessment area, 132,610 or 69 percent are owner-occupied, and 41,547 or 22 percent are rental. In LMI tracts, however, the level of owner-occupancy is 58 percent while rentals account for 25 percent of all housing units. According to the 1990 Census, the median housing value in the assessment area is \$42 thousand. The median age of the housing stock is 36 years, compared with a state median age of 34 years. The number of housing-related lending opportunities are limited in this assessment area because low-income geographies have no owner-occupied housing units, and moderate-income geographies have only 16 thousand such units.

Labor, Employment and Economic Characteristics

In many counties, job opportunities are limited, and unemployment is high compared with the state level of 4.5 percent in 2001. In counties such as Schuylkill, Clearfield and Clinton, where coal mining was once a major industry, 2001 unemployment rates range from a high of 8.3 percent to a low of 6.6 percent. The Commonwealth of Pennsylvania has designated parts of Schuylkill County as Keystone Opportunity Zones.

In other counties such as Montour, Snyder and Union, the 2001 unemployment rate is only 3.5 percent, which is 1 percent below the state level. Major employers include state government, the Geisinger Medical Center, Bucknell University and Bloomsburg State University, located in nearby Columbia County.

EXHIBIT 12								
Assessment Area Demographics								
Pennsylvania Non-MSA Group B								
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	22,870	18.3
Moderate-income	15	13.5	14,276	11.4	2,099	14.7	24,559	19.7
Middle-income	82	73.9	97,212	78.0	8,157	8.4	31,371	25.2
Upper-income	12	10.8	13,168	10.6	512	3.9	45,856	36.8
NA	2	1.8	0	0.0	0	0.0	0	0.0
Total Assessment Area	111	100.0	124,656	100.0	10,768	8.6	124,656	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	27,752	15,953	12.0	57.5	6,930	25.0	4,869	17.5
Middle-income	145,627	102,718	77.5	70.5	30,938	21.1	11,971	8.2
Upper-income	19,156	13,939	10.5	72.8	3,679	20.2	1,538	8.0
NA	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	192,535	132,610	100.0	68.9	41,547	21.6	18,378	9.5
	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	2,221	13.3	1,931	13.4	134	11.1	156	15.2
Middle-income	12,545	75.4	10,831	75.2	948	78.3	766	74.4
Upper-income	1,875	11.3	1,639	11.4	129	10.6	107	10.4
Tract not reported	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	16,641	100.0	14,401	100.0	1,211	100.0	1,029	100.0
Percentage of Total Businesses:				86.5		7.3		6.2

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN PENNSYLVANIA NON-MSA GROUP B (COUNTIES OF NORTHUMBERLAND, SCHUYLKILL, CLEARFIELD, CLINTON, MONTOUR, SNYDER AND UNION)

LENDING TEST

M&T's overall performance with respect to the lending test in Non-MSA Group B was adequate. Lending activity and the geographic distribution of loans were adequate. The distribution of loans among borrowers of different income levels was good. Community development lending was excellent.

The facts and data used to evaluate the bank's performance are shown in the Pennsylvania section of Appendix D. Lending activity is depicted in Pennsylvania Table 1, geographic distribution in Pennsylvania Tables 2-6, and borrower characteristics are depicted in Pennsylvania Tables 8-11.

Lending Activity: M&T's responsiveness to retail credit needs in this assessment area was adequate due in part to the limited time the bank has operated in the assessment area and the limited lending opportunities available.

During the examination period, the bank and its affiliates reported 1,273 HMDA-related loans and 267 small business loans. Of those loans, approximately 88 percent were reported in 2001, the first full year that M&T operated in the assessment area. The 2001 loans represent approximately 15 percent of all Pennsylvania loans in 2001. Based on deposit volume as of June 30, 2001, the assessment area contains 18 percent of the bank's branch deposits in Pennsylvania.

Geographic Distribution of Lending: The overall distribution of loans reflected adequate performance. This conclusion is based on performance in moderate-income geographies because the low-income geographies have no owner-occupied housing units and only 267 businesses.

Compared with the level of owner-occupied housing units and the performance of the aggregate, the geographic distribution of home purchase loans, home improvement loans and small loans to businesses reflected adequate performance. The geographic distribution of refinancings in moderate-income geographies was poor.

The bank's lending was less than the level of owner-occupied housing units or businesses, and trailed the performance of the aggregate. The aggregate's performance, however, was generally inconsistent with the number of lending opportunities, indicating that economic and other performance context issues impacted lending in the LMI geographies of the assessment area.

Distribution by Borrower Income and Revenue Size of the Business: The overall borrower distribution of loans across borrower income levels reflected good performance.

Home Purchase Loans

The distribution of home purchase loans across borrower income levels was good. M&T's home purchase lending to moderate-income borrowers was good, but trailed the aggregate. The bank's home purchase lending to low-income borrowers was poor, and also trailed aggregate performance. Neither the bank's nor the aggregate's performance compared favorably with the level of low-income families, reflecting limited lending opportunities and deteriorating economic conditions.

Refinancings

Compared with the level of LMI borrowers and performance of the aggregate, the distribution of refinancings across borrower income levels was adequate. M&T's level of refinancings to moderate-

income borrowers was adequate; however, performance was well below the aggregate. Refinancings to low-income borrowers were poor, with the bank outperformed by the aggregate. Neither the bank's nor the aggregate's performance compared favorably with the level of low-income families, reflecting limited lending opportunities and deteriorating economic conditions.

Home Improvement Loans

The distribution of home improvement loans across borrower income levels reflected excellent performance compared with the level of borrowers and the performance of the aggregate. The number of loans to moderate-income borrowers was excellent, as was lending to low-income borrowers. Home improvement lending to low-income borrowers substantially outperformed the aggregate. Community contacts identified home improvement loans as an important need in the assessment area.

Loans to Small Businesses

The distribution of small loans to businesses of different sizes was good. Of all such loans in Non-MSA Group B, 88 percent were for \$100 thousand or less. The average size of such loans was \$34 thousand, an amount that would meet the needs of smaller businesses.

M&T's percentage of small business loans made to businesses with GAR of \$1 million or less was lower than the number of businesses in the assessment area with GAR of \$1 million or less. The bank's performance was similar to the aggregate's. In addition, a large number of M&T's small business loans (17 percent) did not consider the GAR of the borrower in its credit decision, and thus could not be included in the analysis. M&T management indicated that these loans generally include credit card and automobile loans, which are originated using a credit-scoring system that disregards the revenue size of the business.

Community Development Lending: The bank's performance was excellent, with four loan originations totaling \$16.2 million, or 38 percent of the bank's overall community development lending in Pennsylvania. This lending included three loans totaling \$15.7 million to two nursing homes which provide a total of 274 beds. Most of the nursing homes' revenues are derived from Medicaid.

INVESTMENT TEST

Considering the limited amount of time the bank has been operating in the assessment area, as well as the impact of statewide investments and those made directly in the assessment area, the level of investments in the Non-MSA Group B assessment area was good. Direct investments totaled \$854 thousand. Investments included more than \$800 thousand in LIHTCs, a \$35 thousand grant to a local Habitat for Humanity, and \$17.6 thousand in grants to organizations that promote community development services and affordable housing.

SERVICE TEST

The bank's performance under the service test in Non-MSA Group B is rated "outstanding" based on excellent delivery of retail services and a high level of community development services given the bank's limited time in the assessment area.

Retail Services: Overall, delivery systems were readily accessible to all portions of the assessment area when considering the percentage of population in LMI geographies. For details, see Pennsylvania Table 15. Of the 29 branches in Non-MSA Group B, 4 (13 percent) are located in LMI geographies. In addition, ten branches in non-LMI geographies are located adjacent to LMI geographies, and thus easily accessible to persons and businesses in LMI geographies.

M&T's multiple alternative delivery systems effectively enhanced distribution of banking services throughout the Non-MSA Group B assessment area, as discussed in the Institution section of this report. The bank maintained 37 on-site ATMs and 19 off-site ATMs in Non-MSA Group B. Four of the on-site ATMs (11 percent) are located in LMI geographies, and one of the off-site ATMs (5 percent) is located in an LMI geography. All ATMs are available 24 hours a day.

Twenty-nine M&T branches opened during the review period, which were acquired during the Keystone acquisition. No branches were closed. For details, see Pennsylvania Table 15.

Branch products and services did not vary in a way that inconvenienced LMI geographies and LMI individuals. Branch hours were reasonable and tailored to the needs of the community. Ninety-seven percent of the branches provided extended hours on weekdays and/or weekends.

Community Development Services: M&T used seminars and technical assistance to provide community development services in the assessment area. The bank participated in two programs on Small Business Administration/startup financing and affordable mortgages.

To provide technical assistance, M&T officers and employees served on boards and committees of community groups addressing the needs of LMI persons and areas. These organizations include Loch Haven University Small Business Development Corporation and Susquehanna Valley Business Expo. The bank also provided assistance to Shalom House, which provides emergency shelter for women and children; NHS of Reading, Pennsylvania, which supports home buyer education seminars, and the Rural Economic Development Corporation ("REDC"), which creates, maintains and locates employment, especially for low-income persons. REDC also supports community development and other efforts to build a sustainable local economy.

METROPOLITAN AREAS

(LIMITED REVIEW)

MSA 6680 (READING, PA)

MSA 4000 (LANCASTER, PA)

MSA 9280 (YORK, PA)

MSA 0240 (ALLENTOWN-BETHLEHEM-EASTON, PA)

MSA 9140 (WILLIAMSPORT, PA)

NON-MSA GROUP A (BRADFORD, SULLIVAN, TIOGA COUNTIES)

NON-MSA GROUP C (FRANKLIN, ADAMS COUNTIES)

NON-MSA BEDFORD COUNTY

NON-MSA HUNTINGDON COUNTY

NON-MSA MONROE COUNTY

Facts and data reviewed, including performance and applicable demographic information, can be found in the Appendix D tables starting on page BB131. Lending test information is depicted in Pennsylvania Tables 1-11. Information regarding investments is in Pennsylvania Table 14, and information relative to the service test is in Pennsylvania Table 15. Conclusions regarding performance in the individual assessment areas in relation to overall Pennsylvania performance are shown below. These conclusions did not impact the overall state rating for Pennsylvania.

Assessment Area	Lending Test	Investment Test	Service Test
MSA 6680	Consistent	Below	Consistent
MSA 4000	Below	Consistent	Consistent
MSA 9280	Consistent	Below	Consistent
MSA 0240	Consistent	Consistent	Consistent
MSA 9140	Consistent	Consistent	Consistent
Non-MSA Group A	Consistent	Consistent	Consistent
Non-MSA Group C	Consistent	Consistent	Consistent
Bedford	Consistent	Consistent	Consistent
Huntingdon	Below	Below	Consistent
Monroe	Below	Below	Consistent

Note: Under the lending test, the MSAs described as “below” the overall performance level in Pennsylvania are rural assessment areas with limited lending opportunity. Under the investment test, the

MSAs “below” the overall performance level in the state are rural assessment areas with very limited opportunity for investment.

STATE

CRA RATING FOR MARYLAND* : SATISFACTORY.

The lending test is rated: High satisfactory.

The investment test is rated: Low satisfactory.

The service test is rated: Outstanding.

Major factors supporting the rating follow:

- The volume of M&T's HMDA-related and small business loans originated or purchased represented good responsiveness to the credit needs in Maryland.
- The bank had a good level of community development loans.
- The distribution of loans among borrowers of different income levels and businesses of different sizes was good.
- The geographic distribution of HMDA-related and small business loans reflected adequate penetration.
- The bank had an adequate level of qualified investments.
- Delivery systems were readily accessible to all portions of the bank's assessment area.

SCOPE OF EXAMINATION

For the Maryland state rating, a full scope review was conducted for assessment areas in CMSA 8872 (Washington, D.C.-Baltimore, MD) and Garrett County, a non-MSA assessment area. The Maryland assessment area had minimal impact on M&T's overall rating because of the bank's limited presence in the state.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN MARYLAND

As of December 31, 2001, M&T operated 13 retail branches in the state of Maryland resulting from the Keystone merger. As of June 30, 2001, the bank had a 1 percent retail deposit market share in Maryland. M&T branches contained approximately \$257 million, or about 1 percent, of M&T's total branch deposits. As in Pennsylvania, the bank was in transition during much of the examination period,

* For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation is adjusted and does not reflect performance in the parts of those states contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

focusing on product, systems and staff integration. Before the acquisition of Keystone, M&T did not operate in Maryland.

The Maryland assessment area is diverse and includes rural communities involved in dairy farming and tourism, as well as populated areas with a concentration of service and retail trade industries. The area is a popular location for second homes acquired by residents of the Baltimore-Washington, D.C. area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MARYLAND

LENDING TEST

M&T's performance is rated "high satisfactory" based on good performance in the CMSA 8872 (Washington, D.C.-Baltimore, MD) and Non-MSA Garrett County, Maryland, assessment areas.

The facts and data used to evaluate the bank's performance are available in the Maryland section of Appendix D. Lending activity, including community development loans, is depicted in the Maryland Table 1, geographic distribution is depicted in Maryland Tables 2-6, and borrower characteristics are depicted in Maryland Tables 8-11.

Lending Activity: Considering the limited time the bank has operated in the assessment area, M&T's responsiveness to credit needs in the Maryland assessment area was good. During the examination period, M&T and its affiliates originated or purchased 333 HMDA-related and 89 small business loans in the Maryland assessment area. Approximately 78 percent of this activity occurred in 2001 following M&T's merger with Keystone. Most lending was concentrated in the CMSA 8872 (Washington, D.C.-Baltimore, MD) assessment area where significantly more lending opportunities exist. The Maryland assessment areas represented approximately 1 percent of the bank's total deposits in 2001, the first full year of operation in the state. In the same year, HMDA-related and small business lending in the Maryland assessment areas represented less than 1 percent of such lending analyzed at this examination.

Geographic and Borrower Distribution: The overall geographic distribution of loans was adequate based on adequate performance in CMSA 8872 (Washington, D.C.-Baltimore, MD) and good performance in Non-MSA Garrett County.

The overall distribution of loans among borrowers of different income levels and businesses of different sizes was good based on good performance in both CMSA 8872 (Washington, D.C.-Baltimore, MD) and Non-MSA Garrett County. Overall HMDA-related lending was considered good primarily because of performance with respect to moderate-income borrowers. Performance with respect to low-income borrowers was adequate but consistent with income and housing cost issues.

Community Development Loans: During the evaluation period, M&T's community development lending performance in the Maryland assessment area was good considering the bank's limited time in this area. The bank extended five community development loans totaling \$688 thousand. Most lending

was approved in the Frederick County portion of CMSA 8872 (Washington, D.C.-Baltimore, MD), where two loans totaled \$583 thousand.

M&T's community development lending was targeted to affordable housing, an identified credit need. Commitments for affordable housing totaled \$16 million. This lending activity also included \$26 million in commitments targeting economic development, with the remainder focusing on community services and revitalization and stabilization projects.

INVESTMENT TEST

Considering the limited time the bank has operated in the market, M&T had an adequate level of qualified community development investments that were responsive to community development needs in the Maryland assessment area. For details, see Maryland Table 14.

Qualified investments at this examination totaled \$57.1 thousand in grants, or less than 1 percent of the bank's total qualified investments. M&T's investments were responsive to community needs. Approximately 74 percent of grants were directed to agencies that support affordable housing development, while 26 percent were directed to organizations providing community services.

SERVICE TEST

M&T is rated "outstanding" on the service test based on excellent delivery of retail and community development services. The conclusions are based primarily on performance in CMSA 8872 (Washington, D.C.-Baltimore, MD).

Retail Services: The bank's branch delivery systems were readily accessible to all geographies and individuals of different income levels in the assessment area. As discussed in the Institution section, M&T's multiple alternative delivery systems enhanced distribution of banking services throughout the assessment area, including an extensive ATM network. Products and services did not vary in a way that inconvenienced LMI geographies and LMI individuals. Extended hours are routine at most branch offices.

Community Development Services: Overall, the bank provided a high level of community development services throughout the assessment area during the examination period considering the bank's brief time in the market. M&T conducted or participated in numerous seminars and workshops providing instruction on financial literacy and, mainly, affordable housing.

Officers and employees provided technical assistance by serving on boards and committees of nonprofit organizations addressing the needs of LMI individuals and geographies.

METROPOLITAN AREAS

(FULL REVIEW)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN CMSA 8872 (WASHINGTON, D.C.-BALTIMORE, MD)

As of December 31, 2001, M&T maintained eight branches in this assessment area. Based on deposits reported to the FDIC as of June 30, 2001, these branches accounted for \$132 million or 48 percent of the bank's deposits in Maryland. M&T controlled 7 percent of the deposit market in this CMSA.

M&T's performance in the MSA was evaluated in terms of the demographic and business context in which the bank operates. The following demographic and economic information was obtained from publicly available sources including HUD, the U.S. Department of Labor, the Maryland Association of Realtors, and the U.S. Department of Commerce's Bureau of the Census (1990 and 2000).

The discussions below and in Exhibit 13 contain data mainly from the 1990 Census. The 2000 Census findings are used to the extent available in order to provide more relevant performance context information and enhance the lending performance comparisons between M&T and certain demographic characteristics.

PERFORMANCE CONTEXT

Demographic Characteristics

Located in western Maryland, the CMSA 8872 assessment area consists of PMSA 3180 (Hagerstown, MD), specifically Washington County, and a portion of PMSA 8840 (Washington, DC-MD-VA) specifically Frederick County, Maryland. According to the 1990 Census, the population of the assessment area portion of the CMSA totals 272 thousand, 50 percent of which is in PMSA 3180. The 2000 Census indicated that the population of Frederick and Washington Counties is 327 thousand, an 18 percent increase since 1990.

Income Characteristics

The 2000 HUD-adjusted median family income for the area is \$69,200. The 1990 Census indicates that 31 percent of families residing in the assessment area are upper-income, 28 percent are middle-income, 22 percent are moderate-income and 19 percent low-income. Approximately 5 percent of the families subsist below the poverty level.

The assessment area contains 62 census tracts, of which 21 are LMI. Most of the LMI tracts are located in the Frederick County portion of the CMSA.

Housing Characteristics

According to the 1990 Census, the assessment area has 102 thousand housing units, which include 65 thousand owner-occupied units (64 percent). Of these owner-occupied units, 12 thousand are located in LMI geographies. But only 876 or 1.3 percent of the owner-occupied housing units are in low-income geographies, limiting HMDA-related lending opportunities. Rental units totaled 32 thousand or 31 percent, while 5 percent of all units are vacant. The median housing value in the assessment area is \$91 thousand, according to the 1990 Census.

According to the Maryland Association of Realtors, the 2000 median sales price for a house in Frederick County is \$148 thousand and \$113 thousand in Washington County, compared with \$132 thousand per house in Maryland. For 2001, Frederick County and Washington County median sales price increased 6.2 percent and 3.2 percent, respectively, compared with a 1.1 percent increase statewide. Compared with the area's income levels, homeownership for low-income families would be difficult without some form of assistance.

Labor, Employment and Economic Characteristics

CMSA 8872 is a diverse assessment area that includes approximately 14 thousand businesses and 1 thousand farms. Of the total labor force of 177 thousand, 39 percent are employed in providing services, 20 percent in retail trade, and 13 percent in construction. In 2000, the unemployment rate was 2.8 percent of the CMSA.

EXHIBIT 13								
Assessment Area Demographics								
CMSA 8872 (Washington, D.C.-Baltimore, MD)								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	4	6.4	1,959	2.7	482	24.6	13,708	18.8
Moderate-income	17	27.4	15,647	21.4	1,051	6.7	16,176	22.1
Middle-income	36	58.1	49,344	67.4	1,971	4.0	20,557	28.1
Upper-income	4	6.5	6,192	8.5	243	3.9	22,701	31.0
NA	1	1.6	0	0.0	0	0.0	0	0.0
Total Assessment Area	62	100.0	73,142	100.0	3,747	5.1	73,142	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	3,777	876	1.3	23.2	2,457	65.1	444	11.7
Moderate-income	24,594	11,582	17.6	47.1	11,514	46.8	1,498	6.1
Middle-income	65,538	47,236	71.8	72.1	15,628	23.8	2,674	4.1
Upper-income	8,411	6,115	9.3	72.7	1,924	22.9	372	4.4
NA	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	102,320	65,809	100.0	64.3	31,523	30.8	4,988	4.9
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	828	6.4	676	6.0	109	10.7	43	7.0
Moderate-income	2,971	23.1	2,626	23.4	195	19.1	150	24.5
Middle-income	8,139	63.3	7,126	63.4	630	61.6	383	62.6
Upper-income	923	7.2	799	7.1	88	8.6	36	5.9
Tract not reported	6	0.0	6	0.1	0	0.0	0	0.0
Total Assessment Area	12,867	100.0	11,233	100.0	1,022	100.0	612	100.0
Percentage of Total Businesses:				87.3		7.9		4.8

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN CMSA 8872 (WASHINGTON, D.C.-BALTIMORE, MD)

LENDING TEST

M&T's overall performance with respect to the lending test in the CMSA assessment area was good. Lending activity was good as was the distribution of loans among borrowers of different income levels. The geographic distribution of loans was adequate. Community development lending was good.

The facts and data used to evaluate the bank's performance are shown in the Maryland section of Appendix D. Lending activity is depicted in Maryland Table 1, geographic distribution is depicted in Maryland Tables 2-6, and borrower characteristics are depicted in Maryland Tables 8-11.

Lending Activity: M&T's responsiveness to retail credit needs in this assessment area was good considering the limited time the bank has operated in the assessment area. During the examination period, the bank and its affiliates reported 207 HMDA-related loans and 59 small business loans. Of those loans, approximately 84 percent were reported in 2001, the first full year that M&T operated in the CMSA assessment area. The 2001 loans represent approximately 68 percent of all Maryland loans in 2001. Based on deposit volume as of June 30, 2001, the assessment area contains 48 percent of the bank's branch deposits in Maryland.

Geographic Distribution of Lending: The overall geographic distribution of loans reflected adequate performance in the assessment area. Conclusions for HMDA-related lending were based primarily on performance in moderate-income geographies because of the limited lending opportunities in low-income geographies.

Home Purchase Loans

Compared with the level of owner-occupied housing units and the performance of the aggregate, the geographic distribution of home purchase loans reflected adequate performance. Home purchase lending in moderate-income geographies was adequate compared with the level of owner-occupied housing units, but performance trailed that of the aggregate.

Refinancings

The geographic distribution of refinance loans across census tracts of different income levels reflected poor performance compared with the level of owner-occupied housing units and the performance of the aggregate. As previously noted, M&T does not generally solicit refinance loans from new customers in its assessment areas.

Home Improvement Loans

Compared with the number of owner-occupied housing units and the performance of the aggregate, the geographic distribution of home improvement loans across census tracts of different income levels reflected adequate performance. The level of lending in moderate-income geographies was generally inconsistent with the level of owner-occupied housing units and trailed the performance of the aggregate.

Small Loans to Businesses

The geographic distribution of small loans to businesses in LMI geographies reflected good performance in the CMSA assessment area compared with the number of small business locations. However, the bank's performance in moderate-income geographies lagged behind the aggregate. Performance in low-

income geographies was excellent when compared with the level of small business locations and exceeded the aggregate.

Distribution by Borrower Income and Revenue Size of the Business: The overall borrower distribution of loans across borrower income levels reflected good performance.

Home Purchase Loans

Compared with the level of LMI families and the performance of the aggregate, the distribution of home purchase loans across borrower income levels was good. M&T's home purchase lending to moderate-income borrowers was excellent, and compared favorably with that of the aggregate. The bank's home purchase lending to low-income borrowers was adequate, as was the aggregate's performance.

Refinancings

The distribution of refinancings among LMI families reflected good distribution. The bank's level of refinancings to moderate-income borrowers was excellent, and this performance exceeded that of the aggregate. Refinancings to low-income borrowers, however, was poor and trailed the aggregate.

Home Improvement Loans

The distribution of home improvement lending across borrower income levels reflected excellent distribution. The bank's home improvement lending to moderate-income borrowers was good when compared with the percentage of moderate-income families residing in the area and the aggregate's performance. The bank's home improvement loans to low-income borrowers was excellent, and M&T outperformed the aggregate.

Loans to Small Businesses

The distribution of loans to businesses of different sizes was good. Of all small business loans in the CMSA 8872 (Washington, D.C.-Baltimore, MD) assessment area, 76 percent were for \$100 thousand or less. The average size of such loans was \$96 thousand, an amount that would meet the needs of smaller businesses. A review of the aggregate, net of large volume credit card lenders, reveals that 76 percent of the aggregate's small business loans were for \$100 thousand or less.

M&T's percentage of small business loans made to businesses with GAR of \$1 million or less was lower than the number of business establishments in the assessment area with GAR of \$1 million or less, but was consistent with the aggregate. In addition, many of M&T's small business loans (28 percent) did not consider the GAR of the borrower in its credit decision, and thus could not be included in the analysis. The bank's management indicated that these loans generally include credit card and automobile loans which are decided using a credit-scoring system that disregards revenue size.

Community Development Lending: Considering the limited time the bank has operated in the assessment area, community development lending was good. The bank originated one affordable housing loan totaling \$500 thousand. Affordable housing is a known need in the assessment area.

INVESTMENT TEST

In light of M&T's limited time in the assessment area, the level of qualified investments was adequate, totaling \$20 thousand. Investments included a \$15 thousand grant to a community housing organization that provides first-time home buyer education and homeownership programs for persons with disabilities and a \$5 thousand grant to a local Habitat for Humanity.

SERVICE TEST

The bank's performance under the service test in the CMSA 8872 (Washington, D.C.-Baltimore, MD) assessment area is rated "outstanding." The rating is based on excellent delivery of retail services and a high level of community development services considering the brief period the bank has been operating the assessment area. For details, see Maryland Table 15.

Retail Services: Overall, delivery systems were readily accessible to all portions of the assessment area when considering the percentage of population residing in LMI geographies. For details, see Maryland Table 15. Of the eight branches in the CMSA assessment area, two or 25 percent are located in LMI geographies. In addition, three branches in non-LMI geographies are located adjacent to LMI geographies and easily accessible to persons and businesses in LMI geographies.

Also, M&T employed multiple alternative delivery systems that effectively enhanced distribution of banking services throughout the CMSA, as discussed in the Institution section of this report. The bank maintained one on-site ATM and one off-site ATM in the CMSA. The on-site ATM (representing 17 percent of branches) is located in an LMI geography, the off-site ATM (8 percent) is located in an LMI geography, and three of the non-LMI ATMs (18 percent) are located adjacent to LMI geographies. All ATMs are available 24 hours a day.

The eight branches opened during the review period were acquired in the Keystone acquisition. No branches were closed.

Branch products and services did not vary in a way that inconvenienced LMI geographies and LMI individuals. Branch hours were reasonable and tailored to the needs of the community. Approximately 88 percent of the branches provided extended hours on weekdays and/or weekends.

Community Development Services: M&T's participation in seminars and the bank's technical assistance showed a high level of responsiveness to the needs of LMI individuals and community development organizations considering the bank's limited time in the area. M&T's three seminars,

workshops or conferences focused on welfare-to-work programs, long-term care of LMI elderly, and first-time home buyers.

To provide technical assistance, M&T officers and employees served on boards and financial development committees of community groups serving the needs of LMI persons and areas, such as the Community Housing Resources. This organization and the bank conducted affordable housing and education seminars and home buyer workshops targeted to LMI individuals.

METROPOLITAN AREAS

(FULL REVIEW)

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NON-MSA GARRETT COUNTY, MARYLAND

This non-MSA assessment area includes Garrett County in northwestern Maryland where M&T maintained five branches as of December 31, 2001. Based on deposits reported as of June 30, 2001, the bank's branches contained \$132 million in retail deposits for a 1 percent deposit market share. Garrett County deposits represent 52 percent of the bank's deposits in Maryland.

M&T's performance in the non-MSA was evaluated in terms of the demographic and business context in which the bank operates. The following demographic and economic information was obtained from publicly available sources including HUD, the U.S. Department of Labor, the Maryland Association of Realtors, and the U.S. Department of Commerce's Bureau of the Census (1990 and 2000).

The discussions below and in Exhibit 14 contain data mainly from the 1990 Census. The 2000 Census findings are used to the extent available in order to provide more relevant performance context information and enhance the lending performance comparisons between M&T and certain demographic characteristics.

PERFORMANCE CONTEXT

Demographic Characteristics

Located on the northwestern edge of Maryland, this assessment area's population totals 28 thousand according to the 1990 Census. The 2000 Census indicated that the county population increased 6 percent over the past decade.

Income Characteristics

The 2001 HUD-adjusted median family income for Garrett County is \$52,700. The county has six moderate-income census tracts, in which 89 percent of the county population resides, and no low-income tracts.

Housing Characteristics

Based on the 2000 Census data, the assessment area has 17 thousand housing units, of which 9 thousand are owner-occupied. Twenty-two percent of the housing units are rental. The number of housing units increased 19 percent over the past decade. Garrett County is a popular tourist location

with 76 thousand acres of parks, lakes and accessible state-owned land. Approximately 32 percent of the housing stock is vacant partly as a result of the large number of second homes. Between 2000 and 2001, the median sales price of a home in Garrett County rose 17.8 percent from \$125 thousand to \$147 thousand, according to the Maryland Association of Realtors.

Labor Employment and Economic Characteristics

A fifth of the assessment area consists of parks, lakes and forests. Garrett County has over 1,400 businesses employing 9,000 workers in services, retail trade, construction and agriculture. The 2000 unemployment rate for the assessment area was 8.5 percent and 7.7 percent in 2001.

EXHIBIT 14								
Assessment Area Demographics								
Non-MSA Garrett County, MD								
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	2,146	27.6
Moderate-income	6	85.7	6,877	88.3	809	11.8	1,857	23.8
Middle-income	1	14.3	912	11.7	92	10.1	1,782	22.9
Upper-income	0	0.0	0	0.0	0	0.0	2,004	25.7
NA	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	7	100.0	7,789	100.0	901	11.6	7,789	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	10,120	6,952	86.9	68.7	1,904	18.8	1,264	12.5
Middle-income	3,999	1,046	13.1	26.2	208	5.2	2,745	68.6
Upper-income	0	0	0.0	0.0	0	0.0	0	0.0
NA	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	14,119	7,998	100.0	56.6	2,112	15.0	4,009	28.4
	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	1,257	85.4	1,093	85.5	99	84.6	65	85.5
Middle-income	215	14.6	186	14.5	18	15.4	11	14.5
Upper-income	0	0.0	0	0.0	0	0.0	0	0.0
Tract not reported	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	1,472	100.0	1,279	100.0	117	100.0	76	100.0
Percentage of Total Businesses:				86.9		7.9		5.2

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NON-MSA GARRETT COUNTY, MARYLAND

LENDING TEST

M&T's overall performance with respect to the lending test in this non-MSA was good. Lending activity was adequate. The geographic distribution of loans, the distribution of loans among borrowers of different income levels, and community development lending were good.

The Maryland section of Appendix D contains the facts and data used to evaluate the bank's performance. Lending activity is depicted in Maryland Table 1, geographic distribution in Maryland Tables 2-6, and borrower characteristics are depicted in Maryland Tables 8-11.

Lending Activity: M&T's responsiveness to retail credit needs in this assessment area was adequate considering the limited time the bank has operated in the assessment area and the limited lending opportunities available. During the examination period, the bank and its affiliates reported 126 HMDA-related loans and 30 small business loans. Of those loans, approximately 70 percent were reported in 2001, the first full year of M&T's operation in the assessment area. The 2001 loans represent approximately 32 percent of all Maryland loans in 2001. Based on deposit volume as of June 30, 2001, the assessment area contains 52 percent of the bank's branch deposits in Maryland.

Geographic Distribution of Lending: The geographic distribution of loans was good based on performance in moderate-income geographies. This assessment area has no low-income geographies.

Compared with the number of owner-occupied housing units and the performance of the aggregate, the geographic distribution of home purchase loans and refinancings reflected good performance. Home improvement lending reflected excellent performance. Almost all the bank's home improvement loans were originated in moderate-income geographies.

The geographic distribution of small loans to businesses reflected adequate performance in the non-MSA area compared with the number of small business locations. M&T's small loans to businesses in moderate-income geographies lagged behind the aggregate.

Distribution by Borrower Income and Revenue Size of the Business: The overall borrower distribution of loans across borrower income levels reflected good performance.

Home Purchase Loans

The distribution of home purchase loans across borrower income levels was good. M&T's home purchase lending to moderate-income borrowers was poor when compared with the level of moderate-income families, and performance lagged behind the aggregate. However, neither the bank's nor the aggregate's performance compared favorably with the level of moderate-income families. The bank's level of home purchase lending to low-income borrowers was excellent, and exceeded the aggregate's performance. Low-income families represent 28 percent of all families in the MSA while moderate-income families represent 24 percent.

Refinancings

Compared with the level of LMI families, the distribution of refinancings across borrower income levels reflected adequate distribution. The bank's level of refinancings to moderate-income borrowers was good, and this performance was similar to the aggregate. Refinance lending to low-income borrowers, however, was poor, and M&T was outperformed by the aggregate. Neither M&T's nor the

aggregate's performance compared favorably with the level of low-income families, reflecting limited lending opportunities.

Home Improvement Loans

The distribution of home improvement lending across borrower income levels reflected good distribution. M&T's home improvement lending to moderate-income borrowers was good compared with the percentage of moderate-income families residing in the area, but trailed the aggregate's performance. The bank's number of home improvement loans to low-income borrowers was excellent and outperformed the aggregate.

Loans to Small Businesses

The distribution of small loans to businesses of different sizes was good. Of all small business loans in Non-MSA Garrett County, 87 percent were for \$100 thousand or less. The average size of such loans was \$65 thousand, an amount that would meet the needs of smaller businesses. A review of the aggregate, net of large volume credit card lenders, reveals that 87 percent of the aggregate's small business loans were for \$100 thousand or less.

M&T's percentage of small business loans made to businesses with GAR of \$1 million or less was lower than the number of business establishments in the assessment area with GAR of \$1 million or less. However, the bank's performance exceeded that of the aggregate. In addition, many M&T small business loans (20 percent) did not consider the GAR of the borrower in its credit decision, and thus could not be included in the analysis. Bank management indicated that these loans generally include credit card and automobile loans, which are decided using a credit-scoring system that disregards revenue size.

Community Development Lending: Considering the bank's recent entry into this assessment area, community development lending was good. M&T originated one community service loan for \$120 thousand and two economic development loans totaling \$68 thousand.

INVESTMENT TEST

The level of qualified investments in Garrett County was adequate considering the brief time M&T has operated in the assessment area. A \$37 thousand grant was made to an organization providing first-time home buyer education and economic literacy programs designed to help individuals and families live within a budget.

SERVICE TEST

The bank's performance under the service test in the Non-MSA Garrett County assessment area is rated "outstanding." The rating is based on accessible delivery of retail services and M&T's high level of community development services despite its limited market presence.

Retail Services: Delivery systems were readily accessible to most portions of the assessment area when considering the percentage of population residing in LMI geographies. For details, see Maryland Table 15. Of the five branches in the assessment area, three or 60 percent are located in moderate-income geographies. In addition, one of the branches in a middle-income geography is located adjacent to moderate-income geographies and thus was easily accessible to persons and businesses in LMI geographies.

M&T used multiple alternative delivery systems that effectively enhanced distribution of banking services throughout the assessment area, as discussed in the Institution section of this report. The bank maintained two on-site ATMs and two off-site ATMs in the assessment area. Two, or 67 percent, of the on-site ATMs are located in moderate-income geographies, and two, or 67 percent, of the off-site ATMs are in moderate-income geographies. All ATMs are available 24 hours a day.

The bank opened five branches during the review period. All the branches were acquired in the Keystone acquisition. No branches were closed.

Branch products and services did not vary in a way that inconvenienced LMI geographies and LMI individuals. Branch hours were reasonable and tailored to the needs of the community. All the branches provided extended hours on weekdays and/or weekends.

Community Development Services: In light of the bank's limited time operating in this assessment area, M&T provided a high level of community development services through seminars and technical assistance. M&T participated in four seminars on community development.

M&T officers' and employees' technical assistance included service on boards and financial development committees of community groups serving the needs of LMI persons and areas. The organizations include Garrett County Community Action Council, whose purpose is to mobilize and focus public and private resources on efforts that improve residents' self-sufficiency and quality of life.

INTERSTATE PMSA

CRA RATING FOR INTERSTATE PMSA 1900 (CUMBERLAND, MD-WV)* : SATISFACTORY.

The lending test is rated: High satisfactory.

The investment test is rated: Low satisfactory.

The service test is rated: Outstanding.

Major factors supporting the rating follow:

- The volume of M&T's HMDA-related and small business loans originated or purchased displayed adequate responsiveness to credit needs in this assessment area.
- The bank had an excellent level of community development loans and qualified investments.
- The geographic distribution of HMDA-related and small business loans reflected good penetration.
- The distribution of loans among borrowers of different income levels and businesses of different sizes was good.
- Delivery systems were accessible to essentially all portions of the bank's assessment area.

SCOPE OF EXAMINATION

A full review was conducted for the Interstate PMSA 1900 rating.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN INTERSTATE PMSA 1900 (CUMBERLAND, MD-WV)

As of December 31, 2001, M&T maintained 13 branches in the assessment area, all acquired as part of the Keystone acquisition. Based on deposits reported to the FDIC as of June 30, 2001, these branches accounted for \$311 million of the bank's deposits, or approximately 1 percent. M&T controlled 35 percent of the deposit market in this assessment area. This is the first time M&T operated in this assessment area. As in Pennsylvania, the bank was in transition during much of the examination period, focusing on product, systems and staff integration.

* For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation is adjusted and does not reflect performance in the parts of those states contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

M&T's performance in the MSA was evaluated in terms of the demographic and business context in which the bank operates. The following demographic and economic information was obtained from publicly available sources including HUD, the U.S. Department of Labor, the Maryland Association of Realtors, and the U.S. Department of Commerce's Bureau of the Census (1990 and 2000).

The discussions below and in Exhibit 15 contain data mainly from the 1990 Census. The 2000 Census findings are used to the extent available in order to provide more relevant performance context information and enhance the lending performance comparisons between M&T and certain demographic characteristics.

PERFORMANCE CONTEXT

Demographic Characteristics

The PMSA consists of Allegany County in western Maryland and Mineral County in northern West Virginia. According to the 1990 Census, the rural assessment area has a population of 101 thousand. The population increased 1 percent in the past decade. Of the 32 census tracts in the assessment area, 5 are LMI tracts.

Income Characteristics

The 2001 HUD-adjusted median family income for the PMSA is \$37,600. Based on 1990 median family income figures, 39 percent of families are upper-income, 23 percent middle-income, 18 percent moderate-income and 20 percent low-income. Approximately 12 percent of families live below the poverty level.

Housing Characteristics

Of the 43 thousand housing units in this assessment area, 28 thousand or 66 percent are owner-occupied, and 11 thousand or 26 percent are rental. LMI tracts contained 10 percent of the owner-occupied units. One- to four-family units account for 85 percent of the assessment area housing with 7 percent in the multifamily category. Low-income tracts contain only 34 owner-occupied housing units and 258 businesses, severely limiting lending opportunities in such geographies.

Labor, Employment and Economic Characteristics

Mineral County's manufacturing base includes glass, lumber, kitchen equipment, propulsion units, mineral fabrication and limestone. The 2001 unemployment rate for PMSA 1900 is 7.2 percent compared with 7.4 percent in 2000.

EXHIBIT 15								
Assessment Area Demographics								
Interstate PMSA 1900 (Cumberland, MD-WV)								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	1	3.1	93	0.3	23	24.7	5,558	19.7
Moderate-income	4	12.5	3,297	11.7	948	28.8	5,195	18.4
Middle-income	24	75.0	20,808	73.9	2,169	10.4	6,442	22.9
Upper-income	3	9.4	3,982	14.1	275	6.9	10,985	39.0
NA	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	32	100.0	28,180	100.0	3,415	12.1	28,180	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	430	34	0.1	7.9	326	75.8	70	16.3
Moderate-income	5,804	2,761	9.7	47.6	2,377	41.0	666	11.4
Middle-income	31,616	21,393	75.2	67.7	7,408	23.4	2,815	8.9
Upper-income	5,593	4,267	15.0	76.3	1,049	18.8	277	4.9
NA	0	0	0.0	0.0	0	0.0	0	0.0
Total Assessment Area	43,443	28,455	100.0	65.5	11,160	25.7	3,828	8.8
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	258	7.6	224	7.5	17	7.9	17	9.2
Moderate-income	365	10.8	324	10.9	24	11.1	17	9.2
Middle-income	2,078	61.4	1,829	61.3	124	57.4	125	68.0
Upper-income	681	20.2	605	20.3	51	23.6	25	13.6
Tract not reported	0	0.0	0	0.0	0	0.0	0	0.0
Total Assessment Area	3,382	100.0	2,982	100.0	216	100.0	184	100.0
Percentage of Total Businesses:				88.2	6.4	5.4		

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN INTERSTATE PMSA 1900 (CUMBERLAND, MD-WV)

LENDING TEST

M&T's overall performance with respect to the lending test in this PMSA was good. Lending activity was adequate while the geographic distribution of loans and the distribution of loans among borrowers of different income levels were good. Community development lending was excellent.

The facts and data used to evaluate the bank's performance are shown in the Interstate PMSA 1900 section of Appendix D. Lending activity is depicted in Interstate PMSA 1900 Table 1, geographic distribution is depicted in Interstate PMSA 1900 Tables 2-6, and borrower characteristics are depicted in Interstate PMSA 1900 Tables 8-11.

Lending Activity: M&T's responsiveness to retail credit needs in this assessment area was adequate considering the limited time the bank has operated here. During the examination period, M&T and its affiliates reported 373 HMDA-related loans (129 home purchase, 159 refinance and 85 home improvement loans) and 101 small business loans in the assessment area. Of that activity, 87 percent occurred in 2001, the first full year of M&T's presence in the assessment area. Lending activity in the Interstate PMSA 1900 assessment area represents approximately 1 percent of all loans analyzed at this examination.

Geographic Distribution of Lending: The overall distribution of loans was good based on performance in moderate-income geographies. As previously discussed, lending opportunities in low-income geographies are insufficient for meaningful analysis.

Compared with the level of owner-occupied housing units and the performance of the aggregate, the overall geographic distribution of home purchase loans reflected excellent penetration, while refinancings displayed adequate performance and home improvement loans reflected good performance.

The geographic distribution of small loans to businesses exhibited excellent performance in the PMSA when compared with the number of small business locations. M&T's lending level exceeded the level of businesses and the performance of the aggregate.

Distribution by Borrower Income and Revenue Size of the Business: The overall distribution of loans among borrowers of different income levels and businesses of different sizes was good based primarily on the level of lending to moderate-income borrowers.

Home Purchase Loans

Overall, M&T's distribution of home purchase loans among moderate-income borrowers was excellent and exceeded the aggregate. But the bank's distribution of home purchase loans among low-income borrowers was poor. The bank's percentage of home purchase loans to low-income borrowers compared with the percentage of low-income families was low, but still exceeded the aggregate. This performance generally reflects limited lending opportunities to low-income families as a result of high levels of poverty and high housing costs.

Refinance Loans

M&T's distribution of refinancings among moderate-income borrowers was poor, and this performance was well below the aggregate. The bank's distribution of refinancings among low-income borrowers

was poor. The percentage of loans to low-income borrowers was low when compared with the percentage of low-income families, putting the bank's performance behind the aggregate.

Small Loans to Businesses

M&T's record of lending to businesses of different sizes in Interstate PMSA 1900 was good. Approximately 84 percent of small loans to businesses originated in the assessment area during the examination period were for \$100 thousand or less. The average size of such loans was \$84 thousand, an amount that would meet the credit needs of smaller businesses.

M&T's percentage of small business loans made to businesses with GAR of \$1 million or less was lower than the number of business establishments in the assessment area with GAR of \$1 million or less. However, the bank's performance exceeded the aggregate's. Many of M&T's small business loans (24 percent) did not consider the GAR of the borrower in its credit decision, and thus could not be included in the analysis. This makes a comparison with the aggregate ineffective when considering the bank's performance. The bank's management has indicated that these loans generally include credit card and automobile loans, which are originated using a credit-scoring system that disregards revenue size of the business.

Community Development Lending: Community development lending was excellent with seven loan originations totaling \$4.3 million, or 1 percent of the bank's overall community development lending. Five loans totaling \$4.2 million were extended in West Virginia, including an affordable housing loan for \$200 thousand and two community services loans totaling \$3.9 million. The bank's recent entry into this assessment area was considered in determining the conclusion.

INVESTMENT TEST

Considering the limited time it has operated in the assessment area, M&T had an adequate level of qualified community development investments that were responsive to community development needs. For details, see Interstate PMSA 1900 Table 14.

At this examination, qualified investments totaled \$56 thousand in grants, or less than 1 percent of the bank's total qualified investments. Approximately 59 percent of grants were directed to community revitalization, 27 percent to agencies that support affordable housing development, and 14 percent to organizations providing community services.

SERVICE TEST

The bank's performance under the service test in Interstate PMSA 1900 (Cumberland, MD-WV) is rated "outstanding" based on excellent delivery of retail services and M&T's leadership role in providing community development services.

Retail Services: Overall, delivery systems were readily accessible to all portions of the assessment area when considering the percentage of population in LMI geographies. For details, see Interstate PMSA 1900 Table 15. Of the 13 branches in the PMSA, 2 or 15 percent are located in LMI geographies, and 6 are in non-LMI geographies but located adjacent to LMI geographies, and thus these branches were easily accessible to persons and businesses in LMI geographies.

M&T's multiple alternative delivery systems effectively enhanced distribution of banking services throughout the PMSA assessment area, as discussed in the Institution section of this report. The bank maintained 13 on-site ATMs and 10 off-site ATMs in the PMSA. Two or 15 percent of the on-site ATMs are located in LMI geographies, four or 40 percent of the off-site ATMs are located in LMI geographies. All ATMs are available 24 hours a day.

Thirteen branches were opened during the review period, all of which were acquired in the Keystone acquisition. No branches were closed.

Branch products and services did not vary in a way that inconvenienced LMI geographies and LMI individuals. Branch hours were reasonable and tailored to the needs of the community. Approximately 85 percent of the branches provided extended hours on weekdays and/or weekends.

Community Development Services: Overall, the bank provided a high level of community development services throughout the assessment area during the examination period, considering the bank's brief time in the market. M&T conducted or participated in various workshops and seminars providing instruction on financial literacy and affordable housing.

Officers and employees provided technical assistance by serving on boards and committees of nonprofit organizations addressing the needs of LMI individuals and geographies.

CRA APPENDIX A

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED		1/1/2000 to 12/31/2001	
FINANCIAL INSTITUTION			PRODUCTS REVIEWED
Manufacturers and Traders Trust Company One M&T Plaza Buffalo, NY 14203			<ul style="list-style-type: none"> • Home Purchase • Refinancings • Home Improvement • Small Business • Community Development
AFFILIATE(S)	AFFILIATE RELATIONSHIP		PRODUCTS REVIEWED
M&T Mortgage Corporation	Bank Subsidiary		<ul style="list-style-type: none"> • Home Purchase • Refinancings • Home Improvement
M&T Real Estate, Inc.	Bank Subsidiary		<ul style="list-style-type: none"> • Multifamily
M&T Bank, N.A.	Holding Company Subsidiary		<ul style="list-style-type: none"> • Small Business

LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED ¹	OTHER INFORMATION
<u>NEW YORK STATE</u>	On-site		
MSA 1280 (Buffalo-Niagara Falls, NY)	Full Review	One M&T Plaza Buffalo, NY	
MSA 6840 (Rochester, NY)	Full Review		
MSA 8160 (Syracuse, NY)	Full Review		
CMSA 5602 (New York-Long Island, NY)	Full Review	804 U.S. Hwy 9 Fishkill, NY	
MSA 0160 (Albany-Schenectady-Troy, NY)	Full Review Limited Review		
MSA 0960 (Binghamton, NY)			
MSA 2335 (Elmira, NY)	Limited Review		
MSA 3610 (Jamestown, NY)	Limited Review		
MSA 8680 (Utica-Rome, NY)	Limited Review		
Non-MSA Group A	Limited Review	33 S. Front St. Milton, NY 12524	
Non-MSA Group B	Limited Review		
Non-MSA Group C	Limited Review Limited Review		
<u>PENNSYLVANIA</u>			
CMSA 6162 (Philadelphia, PA)	Full Review	6500 Castor Ave. Philadelphia, PA 19149	
		9375 Bustleton Ave. Philadelphia, PA 19020	
		1817 Street Rd., Bensalem, PA 19020	
MSA 3240 (Harrisburg-Lebanon-Carlisle, PA)	Full Review		
MSA 7560 (Scranton-Wilkes-Barre-Hazleton, PA)	Full Review		
MSA 0280 (Altoona, PA)	Full Review		
MSA 8050 (State College, PA)	Full Review		
Non-MSA Group B (Northumberland, Schuylkill, Clearfield, Clinton, Montour, Snyder, Union Counties, PA)	Full Review		

(Continued on next page)

¹ There is a statutory requirement that the written evaluation of a multistate institution's performance must list the individual branches examined in each state.

MSA 6680 (Reading, PA) MSA 4000 (Lancaster, PA) MSA 9280 (York, PA) MSA 0240 (Allentown- Bethlehem-Easton, PA) MSA 9140 (Williamsport, PA) Non-MSA Group A (Bradford, Sullivan, Tioga Counties, PA) Non-MSA Group C (Franklin, Adams Counties, PA) Bedford County, PA Huntingdon County, PA Monroe County, PA			
<u>MARYLAND</u> CMSA 8872 (Washington, D.C.- Baltimore, MD) Non-MSA Garrett County, MD)			
<u>INTERSTATE PMSA 1900</u> (Cumberland, MD-WV)			

CRA APPENDIX B

SUMMARY OF STATE AND MULTISTATE PMSA RATINGS

State or Multistate Metropolitan Area Name	Lending Test Rating	Investment Test Rating	Service Test Rating	Overall State Rating
New York State	Outstanding	Outstanding	Outstanding	Outstanding
Pennsylvania	Outstanding	Outstanding	Outstanding	Outstanding
Maryland	High Satisfactory	Low Satisfactory	Outstanding	Outstanding
Interstate PMSA 1900	High Satisfactory	Low Satisfactory	Outstanding	Outstanding

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.

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

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size

eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

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

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

Full review: Performance under the lending, investment and service tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity and responsiveness).

Geography: A census tract or a block numbering area delineated by the U.S. 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 data such as race, gender and income of applications, amount of loan requested, and disposition of the application (for example, 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: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited review: Performance under the lending, investment and service tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

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

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

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

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

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

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

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

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

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

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

Small loan(s) to business(es): A loan included in “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 non-mortgage, commercial loans.

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

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

CRA APPENDIX D

CRA CORE TABLES

Table 1. Lending Volume

LENDING VOLUME 2001		Geography: NEW YORK STATE						Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31,				
Metropolitan Area/ Assessment Area:	% of Rated Area Loans (#) in MA/AA	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans **		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
BUFFALO - MSA 1280	28.50	6,827	519,808	5,405	663,460	41	4,176	23	29,850	12,296	1,217,294	34.30
NEW YORK CMSA 5602	21.02	7,476	1,775,359	1,526	251,281	0	0	65	117,681	9,067	2,144,321	25.98
ROCHESTER - MSA 6840	18.83	4,036	346,370	4,041	559,008	27	1,762	21	33,015	8,125	940,155	12.57
SYRACUSE - MSA 8160	9.91	2,187	144,094	2,077	229,420	6	1,700	7	4,500	4,277	379,714	11.83
Limited Review:												

* Loan data as of December 31, 2001. Rated area refers to either the state or multistate MA rating area.

** The evaluation period for Community Development Loans is from January 1, 2000, to December 31, 2001.

*** Deposit data as of June 30, 2001. Rated Area refers to either the state, multistate MA, or institution, as appropriate.

LENDING VOLUME 2001	Geography: NEW YORK STATE							Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31,				
ALBANY - MSA 0160	9.04	3,261	355,530	628	87,093	0	0	11	23,007	3,900	465,630	2.44
BINGHAMTON - MSA 0960	3.94	732	50,863	958	97,206	0	0	11	873	1,701	148,942	3.61
ELMIRA - MSA 2335	0.20	64	4,057	23	3,908	0	0	0	0	87	7,965	0.14
JAMESTOWN - MSA 3610	1.74	424	23,448	321	27,437	1	50	5	1,659	751	52,594	1.57
NY NON-MSA GROUP A	1.78	486	36,852	280	21,090	0	0	3	22,475	769	80,417	1.43
NY NON-MSA GROUP B	2.04	645	34,211	215	12,878	21	1,726	0	0	881	48,815	1.41
NY NON-MSA GROUP C	1.92	494	46,613	330	28,163	0	0	3	13,050	827	87,826	4.10
UTICA-ROME - MSA 8680	1.08	375	25,996	89	9,213	0	0	0	0	464	35,209	0.62

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE				Geography: NEW YORK STATE DECEMBER 31, 2001				Evaluation Period: JANUARY 1, 2000 TO							
Metropolitan Area/ Assessment Area	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) By Tract Income ¹				
	#	% of Total**	% Owner- Occupie d Units***	% Bank Loans	% Owner- Occupie d Units***	% Bank Loans	% Owner- Occupie d Units***	% Bank Loans	% Owner- Occupie d Units***	% Bank Loans	Low	Mod	Mid	Upper	
Full Review:															
BUFFALO - MSA 1280	4,111	22.93	3.21	2.77	12.70	11.02	54.51	48.60	29.58	37.61	1.74	10.02	52.34	35.88	
NEW YORK CMSA 5602	5,291	29.51	1.25	7.37	9.72	19.81	47.25	42.77	41.76	29.86	2.35	13.28	43.61	40.64	
ROCHESTER - MSA 6840	2,719	15.16	2.47	1.51	12.67	16.33	59.50	54.21	25.36	27.95	1.78	11.33	56.67	30.20	
SYRACUSE - MSA 8160	1,363	7.60	1.49	0.51	8.71	8.58	59.27	58.84	30.53	32.06	1.11	7.35	53.73	37.79	
Limited Review:															
ALBANY - MSA 0160	2,613	14.57	1.09	0.38	9.83	10.22	61.05	61.31	28.03	28.09	0.91	10.22	58.44	30.43	
BINGHAMTON - MSA 0960	447	2.49	0.41	0.45	14.23	17.67	58.99	50.56	26.37	31.32	0.32	13.72	56.81	29.15	
ELMIRA - MSA 2335	46	0.26	0.65	0.00	8.44	6.52	57.52	54.35	33.39	39.13	0.53	8.85	56.16	34.46	
JAMESTOWN - MSA 3610	211	1.18	0.90	0.47	8.06	4.74	84.12	85.78	6.93	9.00	1.49	7.37	82.46	8.68	
NY NON-MSA GROUP A	332	1.85	0.00	0.00	3.48	9.94	65.47	56.02	31.05	34.04	0.00	4.73	58.38	36.82	
NY NON-MSA GROUP B	269	1.50	0.09	0.00	9.60	2.97	83.11	88.48	7.21	8.55	0.00	7.75	78.52	13.73	
NY NON-MSA GROUP C	269	1.50	0.00	0.00	1.79	1.12	46.21	41.26	52.01	57.62	0.00	1.86	47.62	50.52	
UTICA-ROME - MSA 8680	259	1.44	0.30	0.39	9.97	3.09	56.09	44.40	33.64	52.12	0.19	8.64	54.89	36.17	

* Based on 2000 Peer Mortgage Data: Northeast Region.

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

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

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT DECEMBER 31, 2001			Geography: NEW YORK STATE								Evaluation Period: JANUARY 1, 2000 TO			
Metropolitan Area/ Assessment Area	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) By Tract Income			
	#	% of Total**	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	Low	Mod	Mid	Upper
Full Review:														
BUFFALO - MSA 1280	1,043	38.46	3.21	5.94	12.70	16.30	54.51	50.24	29.58	27.52	5.30	13.91	53.93	26.86
NEW YORK CMSA 5602	308	11.36	1.25	2.27	9.72	8.77	47.25	53.57	41.76	35.06	4.60	15.96	48.64	30.68
ROCHESTER - MSA 6840	444	16.37	2.47	1.80	12.67	11.26	59.50	70.05	25.36	16.89	3.96	15.46	63.04	17.52
SYRACUSE - MSA 8160	333	12.28	1.49	2.70	8.71	7.51	59.27	55.26	30.53	34.53	0.88	7.75	61.61	29.76
Limited Review:														
ALBANY - MSA 0160	44	1.62	1.09	0.00	9.83	11.36	61.05	47.73	28.03	40.91	0.99	8.80	62.13	28.08
BINGHAMTON - MSA 0960	123	4.54	0.41	0.00	14.23	19.51	58.99	56.10	26.37	24.39	0.42	14.66	58.53	26.39
ELMIRA - MSA 2335	5	0.18	0.65	0.00	8.44	0.00	57.52	40.00	33.39	60.00	1.23	6.46	61.54	30.77
JAMESTOWN - MSA 3610	99	3.65	0.90	0.00	8.06	3.03	84.12	80.81	6.93	16.16	1.08	6.50	85.74	6.68
NY NON-MSA GROUP A	44	1.62	0.00	0.00	3.48	4.55	65.47	77.27	31.05	18.18	0.00	1.28	84.40	14.10
NY NON-MSA GROUP B	173	6.38	0.09	0.00	9.60	11.56	83.11	86.13	7.21	2.31	0.00	6.88	88.66	4.46
NY NON-MSA GROUP C	69	2.54	0.00	0.00	1.79	1.45	46.21	36.23	52.01	62.32	0.00	2.76	48.13	49.11

* Based on 2000 Peer Mortgage Data: Northeast Region.

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

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

12UTICA-ROME - MSA 8680	27	1.00	0.30	0.00	9.97	7.41	56.09	74.07	33.64	18.52	0.17	9.04	60.90	29.80
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Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE DECEMBER 31, 2001			Geography: NEW YORK STATE								Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2001			
Metropolitan Area/ Assessment Area	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) By Tract Income*			
	#	% of Total**	% Owner- Occupied Units***	% Bank Loans	Low	Mod	Mid	Upper						
Full Review:														
BUFFALO - MSA 1280	1,659	27.01	3.21	1.93	12.70	7.17	54.51	51.78	29.58	39.12	6.13	17.69	50.73	25.45
NEW YORK CMSA 5602	1,703	27.72	1.25	1.47	9.72	10.16	47.25	44.63	41.76	43.69	2.26	13.69	50.44	33.54
ROCHESTER - MSA 6840	856	13.93	2.47	0.70	12.67	8.18	59.50	60.16	25.36	30.96	4.14	13.07	59.02	23.72
SYRACUSE - MSA 8160	489	7.96	1.49	0.41	8.71	5.93	59.27	58.69	30.53	34.97	2.81	10.52	57.90	28.77
Limited Review:														
ALBANY - MSA 0160	596	9.70	1.09	1.17	9.83	7.89	61.05	58.05	28.03	32.89	1.44	11.66	62.35	24.55
BINGHAMTON - MSA 0960	159	2.59	0.41	0.00	14.23	15.72	58.99	58.49	26.37	25.79	0.34	12.96	63.42	23.29
ELMIRA - MSA 2335	13	0.21	0.65	0.00	8.44	7.69	57.52	61.54	33.39	30.77	0.75	11.50	58.75	29.00
JAMESTOWN - MSA 3610	113	1.84	0.90	0.88	8.06	6.19	84.12	77.88	6.93	15.04	1.93	9.06	83.51	5.50
NY NON-MSA GROUP A	107	1.74	0.00	0.00	3.48	3.74	65.47	49.53	31.05	46.73	0.00	3.69	66.77	29.54
NY NON-MSA GROUP B	203	3.30	0.09	0.00	9.60	8.87	83.11	86.70	7.21	4.43	0.00	8.60	83.32	8.09
NY NON-MSA GROUP C	156	2.54	0.00	0.00	1.79	0.00	46.21	42.31	52.01	57.69	0.00	2.33	47.82	49.85

* Based on 2000 Peer Mortgage Data: Northeast Region.

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

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

UTICA-ROME - MSA 8680	89	1.45	0.30	0.00	9.97	3.37	56.09	49.44	33.64	47.19	0.56	10.29	55.77	33.24
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Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY ("MF") DECEMBER 31, 2001			Geography: NEW YORK STATE						Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2001					
Metropolitan Area/ Assessment Area	Total MF Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) By Tract Income			
	#	% of Total**	% of MF Units***	% Bank Loans	% MF Units***	% Bank Loans	% MF Units***	% Bank Loans	% MF Units***	% Bank Loans	Low	Mod	Mid	Upper
Full Review:														
BUFFALO - MSA 1280	14	6.31	14.58	0.00	15.32	0.00	44.01	64.29	26.06	35.71	0.00	10.71	60.71	28.57
NEW YORK CMSA 5602	174	78.38	16.86	6.90	23.22	17.82	28.17	26.44	31.71	48.28	15.55	29.32	31.26	23.75
ROCHESTER - MSA 6840	17	7.66	9.41	0.00	19.00	23.53	53.04	58.82	18.44	17.65	8.93	16.07	62.50	12.50
SYRACUSE - MSA 8160	2	0.90	20.59	50.00	28.78	0.00	32.53	0.00	18.10	50.00	8.00	24.00	44.00	24.00
Limited Review:														
ALBANY - MSA 0160	8	3.60	10.71	0.00	18.44	0.00	50.24	75.00	20.62	25.00	4.26	14.89	65.96	14.89
BINGHAMTON - MSA 0960	3	1.35	16.52	0.00	29.36	33.33	39.83	66.67	14.28	0.00	0.00	0.00	85.71	14.29
ELMIRA - MSA 2335	0	0.00	16.00	0.00	30.29	0.00	47.05	0.00	6.65	0.00	0.00	50.00	50.00	0.00
JAMESTOWN - MSA 3610	1	0.45	19.04	0.00	12.66	0.00	58.76	100.00	9.54	0.00	0.00	0.00	100.00	0.00
NY NON-MSA GROUP A	3	1.35	0.00	0.00	17.63	33.33	43.05	0.00	39.32	66.67	0.00	20.00	60.00	20.00
NY NON-MSA GROUP B	0	0.00	0.00	0.00	13.44	0.00	75.15	0.00	11.41	0.00	0.00	0.00	77.78	22.22
NY NON-MSA GROUP C	0	0.00	0.00	0.00	3.84	0.00	60.60	0.00	35.56	0.00	0.00	3.85	57.69	38.46
UTICA-ROME - MSA 8680	0	0.00	10.48	0.00	39.53	0.00	33.22	0.00	16.77	0.00	0.00	50.00	50.00	0.00

* Based on 2000 Peer Mortgage Data: Northeast Region.

** Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

*** Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES DECEMBER 31, 2001			Geography: NEW YORK STATE						Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2001					
Metropolitan Area/ Assessment Area	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) By Tract Income			
	#	% of Total**	% of Businesses	% Bank Loans	% of Businesses* **	% Bank Loans	% of Businesses ***	% Bank Loans	% of Businesses* **	% Bank Loans	Low	Mod	Mid	Upper
Full Review:														
BUFFALO - MSA 1280	5,405	34.01	4.68	3.90	14.72	14.95	49.03	43.96	30.92	36.82	5.23	13.39	45.38	33.57
NEW YORK CMSA 5602	1,526	9.60	5.04	2.88	15.65	9.24	36.44	38.60	41.15	48.89	3.39	13.20	37.54	42.18
ROCHESTER - MSA 6840	4,041	25.43	5.15	6.58	14.94	13.36	53.48	47.64	24.41	29.72	4.47	12.00	53.18	25.89
SYRACUSE - MSA 8160	2,077	13.07	8.24	10.30	12.73	11.80	52.60	51.81	26.38	26.10	6.26	12.09	52.50	25.33
Limited Review:														
ALBANY - MSA 0160	628	3.95	7.78	9.24	12.36	7.48	53.54	49.52	26.32	33.76	4.95	10.93	54.63	26.15
BINGHAMTON - MSA 0960	958	6.03	8.05	5.11	20.18	20.46	52.24	47.60	19.53	26.83	5.22	16.72	52.43	22.83
ELMIRA - MSA 2335	23	0.14	4.77	0.00	26.09	43.48	46.10	39.13	23.01	17.39	4.18	20.48	50.61	20.72
JAMESTOWN - MSA 3610	321	2.02	9.50	9.97	10.68	12.15	71.53	66.04	8.29	11.84	7.85	10.18	68.13	7.90
NY NON-MSA GROUP A	280	1.76	0.00	0.00	18.06	28.57	52.51	35.71	29.43	35.71	0.00	14.52	57.48	24.86
NY NON-MSA GROUP B	215	1.35	0.07	0.00	12.33	6.98	81.84	88.37	5.75	4.65	0.00	8.59	80.90	5.81
NY NON-MSAGROUP C	330	2.08	0.00	0.00	1.94	0.91	50.40	34.55	47.66	64.55	0.00	1.83	38.90	49.46
UTICA-ROME - MSA 8680	89	0.56	3.86	3.37	18.71	24.72	47.47	41.57	28.92	29.21	2.97	16.18	45.33	31.04

* Based on 2000 Peer Small Business Data: U.S.&PR.

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

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

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS DECEMBER 31, 2001			Geography: NEW YORK STATE						Evaluation Period: JANUARY 1, 2000 TO					
Metropolitan Area/ Assessment Area	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) By Tract Income			
	#	% of Total**	% of Farms***	% Bank Loans	% of Farms**	% Bank Loans	% of Farms**	% Bank Loans	% of Farms**	% Bank Loans	Low	Mod	Mid	Upper
Full Review:														
BUFFALO - MSA 1280	41	42.71	0.36	0.00	4.28	2.44	64.88	80.49	30.48	17.07	0.00	1.08	82.80	16.13
NEW YORK CMSA 5602	0	0.00	0.53	0.00	12.43	0.00	49.73	0.00	37.16	0.00	5.13	25.64	23.08	38.46
ROCHESTER - MSA 6840	27	28.13	0.61	0.00	10.87	7.41	72.58	92.59	15.94	0.00	0.22	16.56	79.47	3.53
SYRACUSE - MSA 8160	6	6.25	0.39	0.00	5.41	0.00	71.23	100.00	22.97	0.00	0.00	6.77	84.38	7.29
Limited Review:														
ALBANY - MSA 0160	0	0.00	0.37	0.00	5.51	0.00	70.09	0.00	24.02	0.00	0.00	0.00	100.00	0.00
BINGHAMTON - MSA 0960	0	0.00	0.51	0.00	11.57	0.00	75.84	0.00	12.08	0.00	0.00	13.04	70.65	16.30
ELMIRA - MSA 2335	0	0.00	0.00	0.00	11.27	0.00	45.07	0.00	43.66	0.00	0.00	9.09	81.82	9.09
JAMESTOWN - MSA 3610	1	1.04	0.99	0.00	0.59	0.00	95.45	100.00	2.97	0.00	0.00	0.00	100.00	0.00
NY NON-MSA GROUP A	0	0.00	0.00	0.00	2.80	0.00	78.40	0.00	18.80	0.00	0.00	0.62	94.72	2.48
NY NON-MSA GROUP B	21	21.88	0.00	4.76	4.74	0.00	89.54	95.24	5.72	0.00	0.31	11.15	84.21	3.72
NY NON-MSA GROUP C	0	0.00	0.00	0.00	0.43	0.00	50.54	0.00	49.03	0.00	0.00	0.00	62.50	37.50
UTICA-ROME - MSA 8680	0	0.00	0.20	0.00	2.21	0.00	69.88	0.00	27.51	0.00	0.00	1.28	78.21	20.51

* Based on 2000 Peer Small Business Data: U.S.&PR.

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

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

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE 31, 2001			Geography: NEW YORK STATE								Evaluation Period: JANUARY 1, 2000 TO DECEMBER			
Metropolitan Area/ Assessment Area	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data *			
	#	% of Total**	% Families **	% Bank Loans****	% Families** *	% Bank Loans****	% Families* **	% Bank Loans****	% Families* **	% Bank Loans****	Low	Mod	Mid	Upper
Full Review:														
BUFFALO - MSA 1280	4,111	22.93	19.56	8.06	18.17	24.84	24.00	32.90	38.27	34.21	8.85	25.11	28.69	37.35
NEW YORK CMSA 5602	5,291	29.51	22.89	5.17	16.52	21.96	20.63	31.58	39.96	41.28	3.27	15.03	28.03	53.67
ROCHESTER - MSA 6840	2,719	15.16	18.75	12.08	18.35	29.35	24.95	28.94	37.95	29.63	10.76	25.91	28.00	35.32
SYRACUSE - MSA 8160	1,363	7.60	17.91	8.45	18.22	30.70	24.64	28.79	39.24	32.06	6.80	23.29	27.20	42.71
Limited Review:														
ALBANY - MSA 0160	2,613	14.57	16.44	6.51	18.33	27.78	25.55	31.13	39.68	34.58	6.80	23.86	28.43	40.91
BINGHAMTON - MSA 0960	447	2.49	18.17	10.53	19.34	23.10	24.16	25.73	38.33	40.64	11.01	24.79	27.86	36.34
ELMIRA - MSA 2335	46	0.26	20.12	14.29	18.06	20.00	22.29	31.43	39.53	34.29	8.48	22.73	27.21	41.58
JAMESTOWN - MSA 3610	211	1.18	19.40	5.17	18.10	23.56	23.68	31.03	38.82	40.23	6.28	20.17	28.00	45.56
NY NON-MSA GROUP A	332	1.85	16.24	4.39	15.73	15.54	22.04	32.43	45.99	47.64	6.00	19.55	28.18	46.27
NY NON-MSA GROUP B	269	1.50	19.32	2.99	21.05	21.79	24.82	35.47	34.82	39.74	6.76	19.81	27.70	45.73
NY NON-MSA GROUP C	269	1.50	13.60	2.25	14.81	11.71	21.29	28.83	50.29	57.21	2.14	11.49	25.46	60.91

* Based on 2000 Peer Mortgage Data: Northeast Region.

** As a percentage of loans with borrower income information available. No information was available for 23.95% of loans originated and purchased by the bank.

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

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

UTICA-ROME - MSA 8680	259	1.44	17.30	2.50	18.38	25.83	23.79	30.83	40.53	40.83	6.51	24.15	27.73	41.61
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Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT DECEMBER 31, 2001			Geography: NEW YORK STATE								Evaluation Period: JANUARY 1, 2000 TO			
Metropolitan Area/ Assessment Area	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data *			
	#	% of Total**	% Families**	% Bank Loans****	% Families*	% Bank Loans****	% Families*	% Bank Loans****	% Families*	% Bank Loans****	Low	Mod	Mid	Upper
Full Review:														
BUFFALO - MSA 1280	1,043	38.46	19.56	19.21	18.17	21.58	24.00	25.35	38.27	33.86	11.66	22.13	29.19	37.03
NEW YORK CMSA 5602	308	11.36	22.89	5.39	16.52	20.20	20.63	23.57	39.96	50.84	9.22	17.53	28.21	45.03
ROCHESTER - MSA 6840	444	16.37	18.75	12.50	18.35	23.64	24.95	26.36	37.95	37.50	11.67	24.75	30.40	33.18
SYRACUSE - MSA 8160	333	12.28	17.91	14.55	18.22	21.21	24.64	23.64	39.24	40.61	8.45	19.76	28.41	43.38
Limited Review:														
ALBANY - MSA 0160	44	1.62	16.44	9.30	18.33	13.95	25.55	25.58	39.68	51.16	10.28	19.98	26.83	42.91
BINGHAMTON - MSA 0960	123	4.54	18.17	14.41	19.34	19.49	24.16	30.51	38.33	35.59	9.91	19.16	28.30	42.62
ELMIRA - MSA 2335	5	0.18	20.12	0.00	18.06	20.00	22.29	20.00	39.53	60.00	11.26	19.54	26.82	42.38
JAMESTOWN - MSA 3610	99	3.65	19.40	8.33	18.10	11.46	23.68	30.21	38.82	50.00	8.67	20.04	29.09	42.20
NY NON-MSA GROUP A	44	1.62	16.24	2.38	15.73	14.29	22.04	26.19	45.99	57.14	7.40	20.63	26.91	45.07
NY NON-MSA GROUP B	173	6.38	19.32	11.05	21.05	20.93	24.82	26.74	34.82	41.28	11.19	24.28	27.97	36.56
NY NON-MSA GROUP C	69	2.54	13.60	5.88	14.81	16.18	21.29	25.00	50.29	52.94	5.09	14.56	21.05	59.30

* Based on 2000 Peer Mortgage Data: Northeast Region.

** As a percentage of loans with borrower income information available. No information was available for 2.4% of loans originated and purchased by bank.

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

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

UTICA-ROME - MSA 8680	27	1.00	17.30	7.69	18.38	11.54	23.79	53.85	40.53	26.92	9.46	20.54	28.29	41.71
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Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE DECEMBER 31, 2001				Geography: NEW YORK STATE				Evaluation Period: JANUARY 1, 2000 TO							
Metropolitan Area/ Assessment Area	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data *				
	#	% of Total**	% Families**	% Bank Loans****	% Families*	% Bank Loans****	% Families*	% Bank Loans****	% Families*	% Bank Loans****	Low	Mod	Mid	Upper	
Full Review:															
BUFFALO - MSA 1280	1,659	27.01	19.56	6.35	18.17	17.58	24.00	28.51	38.27	47.56	13.68	24.63	27.12	34.56	
NEW YORK CMSA 5602	1,703	27.72	22.89	5.05	16.52	15.01	20.63	27.74	39.96	52.20	6.45	18.72	29.55	45.28	
ROCHESTER - MSA 6840	856	13.93	18.75	6.92	18.35	23.65	24.95	27.25	37.95	42.19	12.40	23.51	28.57	35.52	
SYRACUSE - MSA 8160	489	7.96	17.91	5.19	18.22	20.05	24.64	29.95	39.24	44.81	9.64	23.28	26.05	41.03	
Limited Review:															
ALBANY - MSA 0160	596	9.70	16.44	5.83	18.33	19.90	25.55	30.83	39.68	43.45	11.22	25.88	27.87	35.03	
BINGHAMTON - MSA 0960	159	2.59	18.17	8.76	19.34	13.87	24.16	26.28	38.33	51.09	11.86	25.02	26.22	36.89	
ELMIRA - MSA 2335	13	0.21	20.12	0.00	18.06	15.38	22.29	30.77	39.53	53.85	9.88	19.76	34.43	35.93	
JAMESTOWN - MSA 3610	113	1.84	19.40	1.06	18.10	15.96	23.68	28.72	38.82	54.26	8.33	19.95	33.10	38.62	
NY NON-MSA GROUP A	107	1.74	16.24	1.06	15.73	12.77	22.04	25.53	45.99	60.64	8.21	16.97	28.65	46.17	
NY NON-MSA GROUP B	203	3.30	19.32	2.73	21.05	16.39	24.82	32.79	34.82	48.09	9.43	21.11	30.43	39.04	
NY NON-MSA GROUP C	156	2.54	13.60	2.27	14.81	8.33	21.29	22.73	50.29	66.67	3.24	13.69	25.21	57.86	

* Based on 2000 Peer Mortgage Data: Northeast Region.

** As a percentage of loans with borrower income information available. No information was available for 17.78% of loans originated and purchased by bank.

*** Percentage of families is based on the 1990 Census information.

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

UTICA-ROME - MSA 8680	89	1.45	17.30	3.80	18.38	13.92	23.79	25.32	40.53	56.96	9.75	19.42	26.58	44.25
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Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES DECEMBER 31, 2001				Geography: NEW YORK STATE			Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2001		
Metropolitan Area/ Assessment Area	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data *	
	#	% of Total**	% of Businesses ***	% Bank Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Revenues \$1 Million or Less
Full Review:									
BUFFALO - MSA 1280	5,405	34.01	84.35	45.75	73.06	12.65	14.28	20,330	7,428
NEW YORK CMSA 5602	1,526	9.60	82.80	47.64	68.35	12.52	19.13	243,059	105,292
ROCHESTER - MSA 6840	4,041	25.43	86.73	44.15	69.56	14.55	15.89	20,254	8,352
SYRACUSE - MSA 8160	2,077	13.07	85.31	48.05	76.55	12.13	11.31	10,543	4,200
Limited Review:									
ALBANY - MSA 0160	628	3.95	85.59	46.50	72.61	12.10	15.29	13,887	5,379
BINGHAMTON - MSA 0960	958	6.03	85.79	52.19	76.20	13.67	10.13	3,719	1,354
ELMIRA - MSA 2335	23	0.14	87.39	52.17	60.87	17.39	21.74	1,221	388
JAMESTOWN - MSA 3610	321	2.02	85.75	50.78	83.18	8.41	8.41	1,936	859
NY NON-MSA GROUP A	280	1.76	85.78	55.36	85.36	8.57	6.07	2,293	1,220
NY NON-MSA GROUP B	215	1.35	87.15	66.51	88.37	5.58	6.05	2,911	1,640
NY NON-MSA GROUP C	330	2.08	84.77	53.33	83.33	8.79	7.88	5,350	2,045

* Based on 2000 Peer Small Business Data: U.S.&PR.

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

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

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 13.46% of small loans to businesses originated and purchased by the bank.

UTICA-ROME - MSA 8680	89	0.56	85.68	46.07	78.65	8.99	12.36	3,499	1,546
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Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS DECEMBER 31, 2001				Geography: NEW YORK STATE			Evaluation Period: JANUARY 1, 2000 TO		
Metropolitan Area/ Assessment Area	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Aggregate Lending Data *	
	#	% of Total**	% of Farms***	% Bank Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Revenues \$1 Million or Less
Full Review:									
BUFFALO - MSA 1280	41	42.71	90.15	75.61	80.49	9.76	9.76	93	64
NEW YORK CMSA 5602	0	0.00	91.12	0.00	0.00	0.00	0.00	39	24
ROCHESTER - MSA 6840	27	28.13	91.89	81.48	85.19	14.81	0.00	453	381
SYRACUSE - MSA 8160	6	6.25	91.80	50.00	0.00	16.67	83.33	192	157
Limited Review:									
ALBANY - MSA 0160	0	0.00	93.18	0.00	0.00	0.00	0.00	22	17
BINGHAMTON - MSA 0960	0	0.00	91.26	0.00	0.00	0.00	0.00	92	91
ELMIRA - MSA 2335	0	0.00	92.96	0.00	0.00	0.00	0.00	11	11
JAMESTOWN - MSA 3610	1	1.04	95.64	100.00	100.00	0.00	0.00	33	27
NY NON-MSA GROUP A	0	0.00	94.00	0.00	0.00	0.00	0.00	322	297
NY NON-MSA GROUP B	21	21.88	93.67	85.71	90.48	9.52	0.00	323	280
NY NON-MSA GROUP C	0	0.00	89.03	0.00	0.00	0.00	0.00	8	2

* Based on 2000 Peer Small Business Data: US&PR.

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2001).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 6.25% of small loans to farms originated and purchased by the bank.

UTICA-ROME - MSA 8680	0	0.00	95.78	0.00	0.00	0.00	0.00	78	77
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Table 14. Qualified Investments

QUALIFIED INVESTMENTS 2001		Geography: NEW YORK STATE				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31,			
Metropolitan Area/ Assessment Area	Prior Period Investments *		Current Period Investments		Total Investments			Unfunded Commitments **	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
BUFFALO - MSA 1280	1	4,941	83	2,210	84	7,151	16.14	0	0
NEW YORK CMSA 5602	1	345	184	10,747	185	11,092	25.03	0	0
ROCHESTER - MSA 6840	1	50	30	1,169	31	1,219	2.75	0	0
SYRACUSE - MSA 8160	5	1,929	30	685	35	2,614	5.90	0	0
Limited Review:									
ALBANY - MSA 0160	0	0	30	1,003	30	1,003	2.26	0	0
BINGHAMTON - MSA 0960	0	0	10	67	10	67	0.15	0	0
ELMIRA - MSA 2335	0	0	0	0	0	0	0.00	0	0
JAMESTOWN - MSA 3610	0	0	10	279	10	279	0.63	0	0
NY NON-MSA GROUP A	0	0	7	76	7	76	0.17	0	0
NY NON-MSA GROUP B	0	0	1	2	1	2	0.00	0	0
NY NON-MSA GROUP C	0	0	5	18	5	18	0.04	0	0
NY STATEWIDE	6	8,668	12	11,579	18	20,247	45.69	0	0
UTICA-ROME - MSA 8680	0	0	4	549	4	549	1.24	0	0

* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS										Geography: NEW YORK STATE				Evaluation Period:			
JANUARY 1, 2000 TO DECEMBER 31, 2001																	
Metropolitan Area/ Assessment Area	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location Of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upper			Low	Mod	Mid	Upper	Low	Mod	Mid	Upper
Full Review:																	
BUFFALO - MSA 1280	34.30	58	23	6.90	15.52	46.55	31.03	1	10	- 2	- 2	- 3	- 2	6.91	16.40	50.37	25.68
NEW YORK CMSA 5602	25.98	53	21	5.66	13.21	39.62	41.51	26	6	1	4	6	9	10.96	18.99	40.24	29.41
ROCHESTER - MSA 6840	12.57	40	16	5.00	17.50	47.50	30.00	0	5	0	- 1	- 2	- 2	5.95	15.17	56.64	21.99
SYRACUSE - MSA 8160	11.83	31	12	6.45	12.90	61.29	19.35	0	1	0	0	0	- 1	7.06	13.60	52.83	26.16
Limited Review:																	
ALBANY - MSA 0160	2.44	12	5	8.33	0.00	50.00	41.67	2	1	- 1	0	1	1	3.49	14.13	57.42	24.95
BINGHAMTON - MSA 0960	3.61	18	7	5.56	27.78	44.44	22.22	0	5	- 1	- 2	- 2	0	2.11	17.67	55.70	24.52
ELMIRA - MSA 2335	0.14	1	0	0.00	0.00	100.00	0.00	0	0	0	0	0	0	3.23	15.93	51.89	26.60
JAMESTOWN - MSA 3610	1.57	10	4	10.00	0.00	80.00	10.00	0	2	0	0	- 2	0	2.81	10.49	78.63	8.07
NY NON-MSA GROUP A	1.43	9	4	0.00	11.11	33.33	55.56	0	0	0	0	0	0	0.00	9.17	60.86	29.97
NY NON-MSA GROUP B	1.41	11	4	0.00	9.09	81.82	9.09	0	0	0	0	0	0	0.11	10.31	83.06	6.53
NY NON-MSA GROUP C	4.10	9	4	0.00	0.00	55.56	44.44	8	3	0	0	4	1	0.00	2.05	49.00	48.94
UTICA-ROME - MSA 8680	0.62	2	1	0.00	0.00	100.00	0.00	0	1	0	- 1	0	0	1.27	19.81	49.98	27.90

Table 1. Lending Volume

LENDING VOLUME		Geography: PENNSYLVANIA						Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2001				
Metropolitan Area/ Assessment Area	% of Rated Area Loans (#) in MA/AA	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans **		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
NON-MSA GROUP B	13.96	1,273	83,368	267	28,480	0	0	4	16,225	1,544	128,073	18.11
ALTOONA - MSA 0280	7.69	668	45,653	180	26,387	0	0	3	26,170	851	98,210	16.52
HARRISBURG - MSA 3240	8.48	655	60,052	281	32,902	0	0	2	325	938	93,279	9.89
PHILADELPHIA - MSA 6160	19.26	1,809	195,748	318	27,896	0	0	3	201	2,130	223,845	14.75
SCRANT-WILKES- BARRE- HAZLETON - MSA 7560	17.44	1,402	94,615	527	62,484	0	0	0	0	1,929	157,099	14.96
STATE COLLEGE - MSA 8050	5.36	486	42,623	105	17,073	2	279	0	0	593	59,975	4.83
Limited Review:												

* Loan data as of December 31, 2001. Rated area refers to either the state or multistate MA rating area.

** The evaluation period for Community Development Loans is from January 1, 2000, to December 31, 2001.

*** Deposit data as of June 30, 2001. Rated Area refers to either the state, multistate MA, or institution, as appropriate.

LENDING VOLUME	Geography: PENNSYLVANIA						Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2001					
NON-MSA GROUP A	4.21	431	29,343	35	3,567	0	0	0	0	466	32,910	2.97
NON-MSA GROUP C	5.09	448	37,578	113	9,665	2	205	0	0	563	47,448	5.05
ALLENTOWN- BETHLEHEM - EASTON - MSA 0240	0.96	88	7,032	18	1,075	0	0	0	0	106	8,107	0.98
LANCASTER - MSA 4000	3.22	335	46,699	20	3,091	0	0	1	60	356	49,850	0.27
BEDFORD	3.75	367	23,238	45	2,391	3	450	0	0	415	26,079	2.90
HUNTINGDON	0.07	8	789	0	0	0	0	0	0	8	789	0.00
MONROE	2.89	296	35,240	24	1,754	0	0	0	0	320	36,994	0.51
READING - MSA 6680	2.24	157	15,899	91	14,207	0	0	0	0	248	30,106	2.25
WILLIAMSPORT - MSA 9140	3.23	276	17,547	81	11,924	0	0	0	0	357	29,471	5.07
YORK - MSA 9280	2.13	195	21,962	41	4,454	0	0	0	0	236	26,416	0.94

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE 31, 2001		Geography: PENNSYLVANIA								Evaluation Period: JANUARY 1, 2000 TO DECEMBER					
Metropolitan Area/ Assessment Area	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) By Tract Income*				
	#	% of Total**	% Owner- Occupie d Units***	% Bank Loans	% Owner- Occupie d Units***	% Bank Loans	% Owner- Occupie d Units***	% Bank Loans	% Owner- Occupie d Units***	% Bank Loans	Low	Mod	Mid	Upper	
Full Review:															
NON-MSA GROUP B	386	10.87	0.00	0.00	12.03	6.22	77.46	66.84	10.51	26.94	0.00	9.53	73.36	17.09	
ALTOONA - MSA 0280	210	5.91	0.41	0.48	9.66	6.19	77.76	70.48	12.17	22.86	0.52	11.63	72.57	15.28	
HARRISBURG MSA 3240	248	6.98	1.20	0.00	7.33	10.89	70.17	72.18	21.31	16.94	0.80	7.61	63.97	27.60	
PHILADELPHIA - MSA 6160	1,046	29.45	7.61	2.39	22.24	19.89	40.34	56.31	29.80	21.41	3.14	16.61	39.93	40.28	
SCRANTON-WILKES- BARRE- HAZLETON - MSA 7560	466	13.12	0.01	0.00	6.94	5.79	79.11	71.67	13.93	22.53	0.14	6.39	71.92	21.55	
STATE COLLEGE MSA 8050	158	4.45	0.16	2.53	12.09	20.25	54.09	45.57	33.66	31.65	1.20	7.91	49.50	41.38	
Limited Review:															
NON-MSA GROUP A	166	4.67	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	100.00	0.00	
NON-MSA GROUP C	145	4.08	0.00	0.00	0.82	1.38	68.87	73.79	30.31	24.83	0.00	1.33	64.10	34.54	
ALLENTOWN- BETHLEHEM-EASTON - MSA 0240	37	1.04	0.00	0.00	50.79	32.43	49.21	67.57	0.00	0.00	0.00	30.01	69.99	0.00	
LANCASTER MSA 4000	162	4.56	0.90	1.85	8.74	6.79	75.99	73.46	14.36	17.90	0.96	10.14	73.97	14.94	
BEDFORD	103	2.90	0.00	0.00	18.17	11.65	81.83	88.35	0.00	0.00	0.00	13.97	86.03	0.00	
HUNTINGDON	5	0.14	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	100.00	0.00	

* Based on 2000 Peer Mortgage Data: Northeast Region.

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

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

MONROE	169	4.76	0.00	0.00	0.00	0.00	31.72	44.97	68.28	55.03	0.00	0.00	43.38	56.62
READING - MSA 6680	59	1.66	1.53	0.00	9.04	0.00	72.25	91.53	17.18	8.47	1.09	7.78	70.53	20.60
WILLIAMSPORT - MSA 9140	85	2.39	0.00	0.00	4.54	7.06	83.76	74.12	11.70	18.82	0.00	6.30	79.53	14.17
YORK - MSA 9280	107	3.01	1.22	0.00	6.15	5.61	86.18	92.52	6.45	1.87	1.37	5.91	84.52	8.20

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: PENNSYLVANIA 31, 2001								Evaluation Period: JANUARY 1, 2000 TO DECEMBER			
Metropolitan Area/ Assessment Area	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) By Tract Income			
	#	% of Total**	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	Low	Mod	Mid	Upper
Full Review:														
NON-MSA GROUP B	251	20.06	0.00	0.00	12.03	8.76	77.46	74.50	10.51	16.73	0.00	13.45	74.28	12.27
ALTOONA - MSA 0280	120	9.59	0.41	0.00	9.66	14.17	77.76	72.50	12.17	13.33	0.52	12.16	73.86	13.46
HARRISBURG MSA 3240	73	5.84	1.20	0.00	7.33	4.11	70.17	87.67	21.31	8.22	0.96	6.62	69.57	22.85
PHILADELPHIA - MSA 6160	71	5.68	7.61	1.41	22.24	15.49	40.34	57.75	29.80	25.35	6.78	18.77	39.00	35.42
SCRANTON-WILKES-BARRE HAZLETON - MSA 7560	370	29.58	0.01	0.00	6.94	6.22	79.11	79.46	13.93	14.32	0.13	6.15	78.31	15.40
STATE COLLEGE MSA 8050	54	4.32	0.16	1.85	12.09	24.07	54.09	68.52	33.66	5.56	0.51	8.81	65.08	24.92
Limited Review:														
NON-MSA GROUP A	61	4.88	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	100.00	0.00
NON-MSA GROUP C	51	4.08	0.00	0.00	0.82	0.00	68.87	64.71	30.31	35.29	0.00	0.80	66.47	32.73
ALLENTOWN-BETHLEHEM - EASTON - MSA 0240	13	1.04	0.00	0.00	50.79	69.23	49.21	30.77	0.00	0.00	0.00	35.58	64.42	0.00
LANCASTER MSA 4000	8	0.64	0.90	0.00	8.74	0.00	75.99	62.50	14.36	37.50	0.85	7.38	79.85	11.92

* Based on 2000 Peer Mortgage Data: Northeast Region.

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

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

BEDFORD	82	6.55	0.00	0.00	18.17	14.63	81.83	85.37	0.00	0.00	0.00	23.18	76.82	0.00
HUNTINGDON	1	0.08	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	100.00	0.00
MONROE	8	0.64	0.00	0.00	0.00	0.00	31.72	12.50	68.28	87.50	0.00	0.00	34.78	65.22
READING - MSA 6680	20	1.60	1.53	0.00	9.04	5.00	72.25	95.00	17.18	0.00	1.16	7.26	75.58	15.94
WILLIAMSPORT - MSA 9140	61	4.88	0.00	0.00	4.54	6.56	83.76	80.33	11.70	13.11	0.00	5.72	84.11	10.17
YORK - MSA 9280	7	0.56	1.22	0.00	6.15	14.29	86.18	85.71	6.45	0.00	1.07	4.75	88.51	5.67

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE					Geography: PENNSYLVANIA DECEMBER 31, 2001					Evaluation Period: JANUARY 1, 2000 TO				
Metropolitan Area/ Assessment Area	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) By Tract Income			
	#	% of Total**	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	Low	Mod	Mid	Upper
Full Review:														
NON-MSA GROUP B	631	15.49	0.00	0.00	12.03	6.02	77.46	74.01	10.51	19.97	0.00	12.51	76.61	10.88
ALTOONA - MSA 0280	335	8.22	0.41	0.00	9.66	4.48	77.76	76.72	12.17	18.81	0.66	14.68	73.50	11.16
HARRISBURG MSA 3240	331	8.13	1.20	0.00	7.33	6.95	70.17	75.83	21.31	17.22	2.33	8.77	67.43	21.47
PHILADELPHIA - MSA 6160	690	16.94	7.61	0.58	22.24	11.01	40.34	56.67	29.80	31.74	7.75	23.31	37.75	31.15
SCRANTON-WILKES-BARRE-HAZLETON - MSA 7560	565	13.87	0.01	0.00	6.94	4.25	79.11	76.99	13.93	18.76	0.10	8.06	76.00	15.84
STATE COLLEGE MSA 8050	274	6.73	0.16	0.00	12.09	11.31	54.09	56.20	33.66	32.48	0.19	12.27	63.01	24.44
Limited Review:														
NON-MSA GROUP A	204	5.01	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	100.00	0.00
NON-MSA GROUP C	249	6.11	0.00	0.00	0.82	0.80	68.87	63.45	30.31	35.74	0.00	0.86	66.30	32.84
ALLENTOWN-BETHLEHEM - EASTON - MSA 0240	38	0.93	0.00	0.00	50.79	42.11	49.21	57.89	0.00	0.00	0.00	37.80	62.20	0.00
LANCASTER MSA 4000	165	4.05	0.90	0.61	8.74	0.61	75.99	66.06	14.36	32.73	1.86	10.80	74.03	13.31
BEDFORD	181	4.44	0.00	0.00	18.17	9.94	81.83	90.06	0.00	0.00	0.00	19.83	80.17	0.00

* Based on 2000 Peer Mortgage Data: Northeast Region.

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

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

HUNTINGDON	2	0.05	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	100.00	0.00
MONROE	119	2.92	0.00	0.00	0.00	0.00	31.72	37.82	68.28	62.18	0.00	0.00	36.15	63.85
READING - MSA 6680	78	1.92	1.53	0.00	9.04	1.28	72.25	83.33	17.18	15.38	1.79	8.26	74.26	15.68
WILLIAMSPORT - MSA 9140	130	3.19	0.00	0.00	4.54	0.77	83.76	85.38	11.70	13.85	0.00	6.29	80.05	13.66
YORK - MSA 9280	81	1.99	1.22	0.00	6.15	4.94	86.18	92.59	6.45	2.47	1.25	5.56	87.55	5.64

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY ("MF") DECEMBER 31, 2001		Geography: PENNSYLVANIA								Evaluation Period: JANUARY 1, 2000 TO				
Metropolitan Area/ Assessment Area	Total MF Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) By Tract Income			
	#	% of Total**	% of MF Units***	% Bank Loans	% MF Units***	% Bank Loans	% MF Units***	% Bank Loans	% MF Units***	% Bank Loans	Low	Mod	Mid	Upper
Full Review:														
ALTOONA - MSA 0280	3	16.67	19.73	0.00	13.67	0.00	54.56	100.00	12.04	0.00	0.00	20.00	80.00	0.00
HARRISBURG MSA 3240	3	16.67	6.43	0.00	14.06	0.00	62.06	100.00	17.45	0.00	2.38	16.67	71.43	9.52
PHILADELPHIA - MSA 6160	2	11.11	8.22	0.00	15.23	0.00	44.78	50.00	31.76	50.00	5.07	22.58	41.94	30.41
SCRANTON-WILKES- BARRE-HAZLETON - MSA 7560	1	5.56	5.97	0.00	28.15	0.00	55.03	100.00	10.85	0.00	0.00	13.89	75.00	11.11
STATE COLLEGE MSA 8050	0	0.00	15.25	0.00	11.47	0.00	35.34	0.00	37.95	0.00	0.00	0.00	33.33	66.67
NON-MSA GROUP B	5	27.78	0.00	0.00	21.42	0.00	69.15	100.00	9.43	0.00	0.00	20.00	73.33	6.67
Limited Review:														
LANCASTER MSA 4000	0	0.00	4.11	0.00	20.19	0.00	61.27	0.00	14.43	0.00	0.00	30.00	60.00	10.00
NON-MSA GROUP A	0	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	100.00	0.00
ALLENTOWN- BETHLEHEM - EASTON - MSA 0240	0	0.00	0.00	0.00	75.92	0.00	24.08	0.00	0.00	0.00	0.00	100.00	0.00	0.00
YORK - MSA 9280	0	0.00	5.52	0.00	16.84	0.00	73.22	0.00	4.42	0.00	10.00	40.00	50.00	0.00
BEDFORD	1	5.56	0.00	0.00	2.08	0.00	97.92	100.00	0.00	0.00	0.00	0.00	100.00	0.00
HUNTINGDON	0	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MONROE	0	0.00	0.00	0.00	0.00	0.00	57.45	0.00	42.55	0.00	0.00	0.00	16.67	83.33
READING - MSA 6680	0	0.00	9.80	0.00	23.83	0.00	48.05	0.00	18.32	0.00	10.71	50.00	39.29	0.00

* Based on 2000 Peer Mortgage Data: Northeast Region.

** Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

*** Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 Census information.

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WILLIAMSPORT - MSA 9140	0	0.00	0.00	0.00	43.25	0.00	39.06	0.00	17.69	0.00	0.00	40.00	46.67	13.33
NON-MSA GROUP C	3	16.67	0.00	0.00	8.96	0.00	63.93	66.67	27.11	33.33	0.00	0.00	85.71	14.29

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES DECEMBER 31, 2001				Geography: PENNSYLVANIA				Evaluation Period: JANUARY 1, 2000 TO						
Metropolitan Area/ Assessment Area	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) By Tract Income			
	#	% of Total**	% of Businesses***	% Bank Loans	% of Businesses* **	% Bank Loans	% of Businesses***	% Bank Loans	% of Businesses* **	% Bank Loans	Low	Mod	Mid	Upper
Full Review:														
NON-MSA GROUP B	267	12.44	0.00	0.00	13.35	8.61	75.39	68.16	11.27	23.22	0.00	10.35	68.99	14.33
ALTOONA - MSA 0280	180	8.39	5.34	2.78	10.59	18.89	72.13	56.11	11.95	22.22	5.13	8.11	68.68	13.62
HARRISBURG MSA 3240	281	13.09	1.37	1.07	14.13	14.23	65.15	62.99	19.34	21.71	1.50	9.06	64.13	22.92
PHILADELPHIA - MSA 6160	318	14.82	6.96	1.26	13.94	11.01	36.41	44.65	41.94	42.45	3.36	8.87	40.30	43.97
SCRANTON-WILKES-BARRE-HAZLETON - MSA 7560	527	24.56	3.44	0.00	11.60	12.14	69.70	75.90	15.27	11.95	2.13	9.62	67.78	17.14
STATE COLLEGE MSA 8050	105	4.89	11.31	10.48	12.14	12.38	41.05	32.38	30.96	44.76	8.72	10.11	43.51	33.78
Limited Review:														
NON-MSA GROUP A	35	1.63	0.00	0.00	0.00	0.00	100.00	100.00	0.00	0.00	0.00	0.00	89.30	0.00
NON-MSA GROUP C	113	5.27	0.00	0.00	3.25	9.73	66.72	61.95	30.03	28.32	0.00	2.27	64.76	31.15
ALLENTOWN-BETHLEHEM-EASTON - MSA 0240	18	0.84	0.00	0.00	51.63	55.56	48.37	44.44	0.00	0.00	0.00	40.88	53.61	0.00
LANCASTER MSA 4000	20	0.93	0.96	0.00	12.66	5.00	71.40	65.00	14.99	30.00	0.57	6.00	79.25	11.11
BEDFORD	45	2.10	0.00	0.00	16.26	6.67	83.74	93.33	0.00	0.00	0.00	11.39	84.50	0.00
HUNTINGDON	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MONROE	24	1.12	0.00	0.00	0.00	0.00	37.39	41.67	62.61	58.33	0.00	0.00	28.51	60.48
READING MSA 6680	91	4.24	3.03	1.10	10.02	0.00	69.45	86.81	17.51	12.09	2.51	7.03	69.07	17.90
WILLIAMSPORT - MSA 9140	81	3.77	0.00	0.00	18.65	25.93	67.67	56.79	13.68	17.28	0.00	11.26	70.32	16.17

* Based on 2000 Peer Small Business Data: U.S.&PR.

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

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

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YORK - MSA 9280	41	1.91	4.64	0.00	9.55	14.63	78.80	85.37	7.01	0.00	3.41	7.64	80.63	6.54
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Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS DECEMBER 31, 2001			Geography: PENNSYLVANIA						Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2001					
Metropolitan Area/ Assessment Area	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) By Tract Income			
	#	% of Total**	% of Farms***	% Bank Loans	% of Farms**	% Bank Loans	% of Farms**	% Bank Loans	% of Farms**	% Bank Loans	Low	Mod	Mid	Upper
Full Review:														
NON-MSA GROUP B	0	0.00	0.00	0.00	2.63	0.00	85.08	0.00	12.29	0.00	0.00	1.71	89.74	7.69
ALTOONA - MSA 0280	0	0.00	0.36	0.00	1.09	0.00	87.27	0.00	11.27	0.00	0.00	0.00	90.58	9.42
HARRISBURG MSA 3240	0	0.00	0.06	0.00	7.09	0.00	80.51	0.00	12.34	0.00	0.00	6.09	88.14	4.49
PHILADELPHIA - MSA 6160	0	0.00	1.52	0.00	5.70	0.00	36.48	0.00	56.24	0.00	0.55	7.10	73.22	16.94
SCRANTON-WILKES- BARRE-HAZLETON - MSA 7560	0	0.00	0.12	0.00	4.39	0.00	81.41	0.00	14.09	0.00	0.00	0.00	83.33	16.67
STATE COLLEGE MSA 8050	2	28.57	0.27	0.00	3.01	0.00	69.86	100.00	25.21	0.00	0.00	0.00	82.35	17.65
Limited Review:														
NON-MSA GROUP A	0	0.00	0.00	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	98.77	0.00
NON-MSA GROUP C	2	28.57	0.00	0.00	0.17	0.00	76.81	100.00	23.02	0.00	0.00	1.27	75.95	22.78
ALLENTOWN- BETHLEHEM - EASTON - MSA 0240	0	0.00	0.00	0.00	29.58	0.00	70.42	0.00	0.00	0.00	0.00	0.00	100.00	0.00
LANCASTER MSA 4000	0	0.00	0.10	0.00	1.36	0.00	92.08	0.00	6.47	0.00	0.00	0.21	97.34	1.38
BEDFORD	3	42.86	0.00	0.00	12.46	0.00	87.54	100.00	0.00	0.00	0.00	2.35	97.65	0.00
HUNTINGDON	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MONROE	0	0.00	0.00	0.00	0.00	0.00	25.58	0.00	74.42	0.00	0.00	0.00	0.00	0.00
READING - MSA 6680	0	0.00	0.00	0.00	1.03	0.00	94.86	0.00	4.11	0.00	0.00	0.00	98.08	1.28
WILLIAMSPORT - MSA 9140	0	0.00	0.00	0.00	0.74	0.00	92.59	0.00	6.67	0.00	0.00	0.00	90.91	9.09
YORK - MSA 9280	0	0.00	0.63	0.00	1.05	0.00	94.84	0.00	3.47	0.00	0.00	0.00	98.31	0.00

* Based on 2000 Peer Small Business Data: U.S.&PR.

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

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

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE 2001		Geography: PENNSYLVANIA								Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2001					
Metropolitan Area/ Assessment Area	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data *				
	#	% of Total**	% Families**	% Bank Loans****	% Families** *	% Bank Loans****	% Families* **	% Bank Loans****	% Families* **	% Bank Loans****	Low	Mod	Mid	Upper	
Full Review:															
NON-MSA GROUP B	386	10.87	18.35	4.29	19.70	16.43	25.17	21.07	36.79	58.21	6.69	21.58	29.38	42.36	
ALTOONA - MSA 0280	210	5.91	19.05	6.99	18.64	20.98	24.80	16.78	37.52	55.24	8.64	21.39	27.12	42.85	
HARRISBURG MSA 3240	248	6.98	15.71	6.82	19.26	18.18	28.05	28.41	36.97	46.59	9.16	25.11	29.81	35.92	
PHILADELPHIA - MSA 6160	1,046	29.45	22.98	27.74	18.18	30.81	22.60	22.08	36.24	19.36	15.42	24.16	21.61	38.81	
SCRANTON-WILKES- BARRE-HAZLETON - MSA 7560	466	13.12	18.42	6.15	18.87	22.31	24.70	27.44	38.01	44.10	8.28	20.81	28.92	41.99	
STATE COLLEGE MSA 8050	158	4.45	17.03	3.57	20.28	16.07	23.71	29.46	38.98	50.89	4.76	14.45	26.35	54.45	
Limited Review:															
NON-MSA GROUP A	166	4.67	19.91	2.22	20.58	13.33	23.88	23.70	35.63	60.74	7.22	23.06	29.42	40.30	
NON-MSA GROUP C	145	4.08	11.01	3.03	16.64	13.13	25.29	24.24	47.06	59.60	3.14	13.53	26.65	56.68	
ALLENTOWN- BETHLEHEM - EASTON - MSA 0240	37	1.04	23.75	18.18	25.72	24.24	27.36	24.24	23.17	33.33	11.94	26.94	27.16	33.95	
LANCASTER MSA 4000	162	4.56	15.34	1.60	18.19	21.60	28.25	23.20	38.21	53.60	7.55	26.12	29.58	36.74	
BEDFORD	103	2.90	21.22	7.25	23.28	23.19	25.92	24.64	29.57	44.93	7.54	24.17	29.93	38.36	
HUNTINGDON	5	0.14	15.15	0.00	19.37	25.00	24.13	0.00	41.34	75.00	0.00	23.08	15.38	61.54	
MONROE	169	4.76	11.08	0.68	14.25	5.41	21.13	24.32	53.54	69.59	2.27	7.43	19.65	70.65	
READING - MSA 6680	59	1.66	16.35	4.08	19.11	24.49	27.41	30.61	37.13	40.82	11.98	23.02	28.58	36.41	
WILLIAMSPORT - MSA 9140	85	2.39	17.42	4.62	19.35	20.00	25.84	21.54	37.39	53.85	6.49	19.53	31.34	42.64	

* Based on 2000 Peer Mortgage Data: Northeast Region.

** As a percentage of loans with borrower income information available. No information was available for 22.3% of loans originated and purchased by BANK.

*** Percentage of families is based on the 1990 Census information.

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

YORK - MSA 9280	107	3.01	15.34	7.06	19.53	14.12	28.69	27.06	36.45	51.76	7.39	23.63	31.51	37.48
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Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT 31, 2001		Geography: PENNSYLVANIA								Evaluation Period: JANUARY 1, 2000 TO DECEMBER				
Metropolitan Area/ Assessment Area	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data *			
	#	% of Total**	% Families **	% Bank Loans****	% Families* **	% Bank Loans****	% Families* **	% Bank Loans****	% Families* **	% Bank Loans****	Low	Mod	Mid	Upper
Full Review:														
NON-MSA GROUP B	251	20.06	18.35	18.03	19.70	20.90	25.17	24.18	36.79	36.89	12.72	20.37	26.93	39.98
ALTOONA - MSA 0280	120	9.59	19.05	21.01	18.64	11.76	24.80	22.69	37.52	44.54	11.02	19.59	24.49	44.90
HARRISBURG MSA 3240	73	5.84	15.71	13.89	19.26	16.67	28.05	33.33	36.97	36.11	10.76	19.99	28.19	41.06
PHILADELPHIA - MSA 6160	71	5.68	22.98	17.14	18.18	27.14	22.60	30.00	36.24	25.71	19.35	22.21	22.48	35.97
SCRANTON-WILKES-BARRE-HAZLETON - MSA 7560	370	29.58	18.42	14.21	18.87	22.68	24.70	25.14	38.01	37.98	12.07	19.53	28.47	39.93
STATE COLLEGE MSA 8050	54	4.32	17.03	24.07	20.28	22.22	23.71	22.22	38.98	31.48	9.28	14.43	26.80	49.48
Limited Review:														
NON-MSA GROUP A	61	4.88	19.91	5.00	20.58	15.00	23.88	28.33	35.63	51.67	7.74	16.41	29.57	46.28
NON-MSA GROUP C	51	4.08	11.01	10.20	16.64	26.53	25.29	20.41	47.06	42.86	8.10	13.44	24.31	54.15
ALLENTOWN-BETHLEHEM - EASTON - MSA 0240	13	1.04	23.75	30.77	25.72	23.08	27.36	38.46	23.17	7.69	16.99	25.97	32.04	25.00
LANCASTER MSA 4000	8	0.64	15.34	0.00	18.19	0.00	28.25	37.50	38.21	62.50	8.73	18.74	28.64	43.89
BEDFORD	82	6.55	21.22	13.41	23.28	20.73	25.92	35.37	29.57	30.49	10.26	18.31	27.77	43.66
HUNTINGDON	1	0.08	15.15	0.00	19.37	0.00	24.13	0.00	41.34	100.00	11.11	0.00	22.22	66.67
MONROE	8	0.64	11.08	0.00	14.25	0.00	21.13	0.00	53.54	100.00	4.04	11.36	18.24	66.37
READING - MSA 6680	20	1.60	16.35	31.58	19.11	21.05	27.41	15.79	37.13	31.58	15.44	20.89	27.07	36.60

* Based on 2000 Peer Mortgage Data: Northeast Region.

** As a percentage of loans with borrower income information available. No information was available for 1.68% of loans originated and purchased by bank.

*** Percentage of families is based on the 1990 Census information.

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

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WILLIAMSPORT - MSA 9140	61	4.88	17.42	20.69	19.35	25.86	25.84	24.14	37.39	29.31	12.00	18.45	29.37	40.18
YORK - MSA 9280	7	0.56	15.34	14.29	19.53	14.29	28.69	14.29	36.45	57.14	8.74	20.95	30.64	39.67

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE DECEMBER 31, 2001				Geography: PENNSYLVANIA				Evaluation Period: JANUARY 1, 2000 TO						
Metropolitan Area/ Assessment Area	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data *			
	#	% of Total**	% Families**	% Bank Loans****	% Families* **	% Bank Loans****	% Families* **	% Bank Loans****	% Families* **	% Bank Loans****	Low	Mod	Mid	Upper
Full Review:														
NON-MSA GROUP B	631	15.49	18.35	3.74	19.70	12.48	25.17	27.99	36.79	55.79	8.57	21.53	29.01	40.89
ALTOONA - MSA 0280	335	8.22	19.05	7.56	18.64	14.43	24.80	21.99	37.52	56.01	11.97	21.05	25.26	41.72
HARRISBURG MSA 3240	331	8.13	15.71	6.33	19.26	19.67	28.05	25.67	36.97	48.33	10.96	22.90	30.75	35.39
PHILADELPHIA - MSA 6160	690	16.94	22.98	4.58	18.18	15.14	22.60	19.37	36.24	60.92	20.03	24.09	22.22	33.65
SCRANTON-WILKES- BARRE-HAZLETON - MSA 7560	565	13.87	18.42	3.76	18.87	16.35	24.70	26.13	38.01	53.76	11.20	19.96	29.26	39.58
STATE COLLEGE MSA 8050	274	6.73	17.03	4.22	20.28	16.03	23.71	23.63	38.98	56.12	7.97	21.10	26.16	44.78
Limited Review:														
NON-MSA GROUP A	204	5.01	19.91	4.44	20.58	12.22	23.88	28.89	35.63	54.44	10.09	18.50	28.75	42.66
NON-MSA GROUP C	249	6.11	11.01	4.78	16.64	17.22	25.29	18.18	47.06	59.81	4.53	13.30	28.84	53.33
ALLENTOWN- BETHLEHEM - EASTON - MSA 0240	38	0.93	23.75	0.00	25.72	28.57	27.36	25.71	23.17	45.71	15.60	28.23	31.35	24.82
LANCASTER MSA 4000	165	4.05	15.34	3.39	18.19	7.63	28.25	22.88	38.21	66.10	8.63	19.10	29.83	42.45
BEDFORD	181	4.44	21.22	5.00	23.28	13.75	25.92	30.63	29.57	50.63	12.50	23.56	24.28	39.66
HUNTINGDON	2	0.05	15.15	0.00	19.37	0.00	24.13	0.00	41.34	100.00	0.00	26.67	26.67	46.67
MONROE	119	2.92	11.08	0.00	14.25	6.00	21.13	21.00	53.54	73.00	2.53	8.69	22.76	66.01
READING - MSA 6680	78	1.92	16.35	2.22	19.11	17.78	27.41	35.56	37.13	44.44	12.91	22.60	29.93	34.56

* Based on 2000 Peer Mortgage Data: Northeast Region.

** As a percentage of loans with borrower income information available. No information was available for 20.60% of loans originated and purchased by bank.

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

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

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WILLIAMSPORT - MSA 9140	130	3.19	17.42	1.77	19.35	13.27	25.84	24.78	37.39	60.18	7.94	18.67	29.97	43.42
YORK - MSA 9280	81	1.99	15.34	4.48	19.53	11.94	28.69	29.85	36.45	53.73	7.26	21.45	32.56	38.72

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES					Geography: PENNSYLVANIA			Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2001	
Metropolitan Area/ Assessment Area	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data *	
	#	% of Total**	% of Businesses***	% Bank Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Revenues: \$ 1 Million or Less
Full Review:									
NON-MSA GROUP B	267	12.44	86.54	53.18	74.53	15.73	9.74	6,408	2,521
ALTOONA - MSA 0280	180	8.39	86.52	49.44	71.67	13.89	14.44	2,379	973
HARRISBURG MSA 3240	281	13.09	85.82	42.70	75.80	11.39	12.81	10,513	3,496
PHILADELPHIA - MSA 6160	318	14.82	84.39	41.51	83.02	10.69	6.29	64,176	22,371
SCRANTON-WILKES-BARRE-HAZLETON - MSA 7560	527	24.56	86.54	55.22	77.42	11.20	11.39	11,337	4,326
STATE COLLEGE MSA 8050	105	4.89	86.75	35.24	63.81	18.10	18.10	2,087	842
Limited Review:									
NON-MSA GROUP A	35	1.63	88.20	37.14	82.86	5.71	11.43	1,683	1,007
NON-MSA GROUP C	113	5.27	88.32	63.72	81.42	11.50	7.08	3,695	1,408
ALLENTOWN-BETHLEHEM - EASTON - MSA 0240	18	0.84	86.61	38.89	88.89	5.56	5.56	707	292
LANCASTER MSA 4000	20	0.93	85.36	40.00	80.00	5.00	15.00	8,203	3,639
BEDFORD	45	2.10	88.74	57.78	88.89	11.11	0.00	729	366
HUNTINGDON	0	0.00	0.00	0.00	0.00	0.00	0.00	0	0
MONROE	24	1.12	87.18	62.50	91.67	4.17	4.17	2,371	905
READING - MSA 6680	91	4.24	84.32	40.66	74.73	8.79	16.48	5,932	1,949

* Based on 2000 Peer Small Business Data: U.S.&PR.

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

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

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 22.32% of small loans to businesses originated and purchased by the bank.

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WILLIAMSPORT - MSA 9140	81	3.77	86.30	33.33	67.90	14.81	17.28	1,954	887
YORK - MSA 9280	41	1.91	85.90	46.34	73.17	19.51	7.32	7,124	2,299

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS 31, 2001				Geography: PENNSYLVANIA			Evaluation Period: JANUARY 1, 2000 TO DECEMBER		
Metropolitan Area/ Assessment Area	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Aggregate Lending Data *	
	#	% of Total**	% of Farms***	% Bank Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Revenues \$ 1 Million or Less
Full Review:									
NON-MSA GROUP B	0	0.00	94.24	0.00	0.00	0.00	0.00	117	109
ALTOONA - MSA 0280	0	0.00	94.18	0.00	0.00	0.00	0.00	138	136
HARRISBURG MSA 3240	0	0.00	95.75	0.00	0.00	0.00	0.00	312	298
PHILADELPHIA - MSA 6160	0	0.00	87.75	0.00	0.00	0.00	0.00	183	151
SCRANTON-WILKES- BARRE-HAZLETON - MSA 7560	0	0.00	93.30	0.00	0.00	0.00	0.00	18	15
STATE COLLEGE MSA 8050	2	28.57	96.44	100.00	0.00	100.00	0.00	34	33
Limited Review:									
NON-MSA GROUP A	0	0.00	96.62	0.00	0.00	0.00	0.00	163	158
NON-MSA GROUP C	2	28.57	94.46	50.00	50.00	50.00	0.00	158	136
ALLENTOWN- BETHLEHEM - EASTON - MSA 0240	0	0.00	95.77	0.00	0.00	0.00	0.00	1	0
LANCASTER MSA 4000	0	0.00	91.45	0.00	0.00	0.00	0.00	939	899
BEDFORD	3	42.86	98.13	33.33	33.33	66.67	0.00	85	77
HUNTINGDON	0	0.00	0.00	0.00	0.00	0.00	0.00	0	0
MONROE	0	0.00	93.60	0.00	0.00	0.00	0.00	0	0
READING - MSA 6680	0	0.00	92.29	0.00	0.00	0.00	0.00	156	140
WILLIAMSPORT - MSA 9140	0	0.00	95.56	0.00	0.00	0.00	0.00	33	32

* Based on 2000 Peer Small Business Data: U.S.&PR.

** Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

*** Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2001).

**** Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 28.57% of small loans to farms originated and purchased by the bank.

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YORK - MSA 9280	0	0.00	94.74	0.00	0.00	0.00	0.00	59	53
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Table 14. Qualified Investments

QUALIFIED INVESTMENTS 2001		Geography: PENNSYLVANIA				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31,			
Metropolitan Area/ Assessment Area	Prior Period Investments *		Current Period Investments		Total Investments			Unfunded Commitments **	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
NON-MSA GROUP B	0	0	10	854	10	854	7.50	0	0
ALTOONA - MSA 0280	0	0	13	189	13	189	1.66	0	0
HARRISBURG MSA 3240	0	0	21	1,216	21	1,216	10.68	2	550
PHILADELPHIA - MSA 6160	0	0	22	769	22	769	6.75	1	145
SCRANTON-WILKES- BARRE-HAZLETON - MSA 7560	0	0	4	62	4	62	0.54	0	0
STATE COLLEGE MSA 8050	0	0	6	29	6	29	0.25	0	0
Limited Review:									
NON-MSA GROUP A	0	0	9	854	9	854	7.50	1	199
NON-MSA GROUP C	0	0	4	267	4	267	2.34	0	0
ALLENTOWN- BETHLEHEM - EASTON - MSA 0240	0	0	1	1,180	1	1,180	10.36	0	0
LANCASTER MSA 4000	0	0	5	3,031	5	3,031	26.61	0	0
BEDFORD	0	0	5	248	5	248	2.18	0	0
HUNTINGDON	0	0	0	0	0	0	0.00	0	0
MONROE	0	0	0	0	0	0	0.00	0	0
REGIONAL	0	0	1	2,320	1	2,320	20.37	1	1,341
READING - MSA 6680	0	0	3	12	3	12	0.11	0	0
WILLIAMSPORT - MSA 9140	0	0	9	353	9	353	3.10	0	0
YORK - MSA 9280	0	0	1	5	1	5	0.04	0	0

* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS JANUARY 1, 2000 TO DECEMBER 31, 2001								Geography: PENNSYLVANIA						Evaluation Period:			
Metropolitan Area/ Assessment Area	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upper			Low	Mod	Mid	Upper	Low	Mod	Mid	Upper
Full Review:																	
NON-MSA GROUP B	18.11	29	18	0.00	13.79	72.41	13.79	29	0	0	4	21	4	0.00	11.56	77.48	10.96
ALTOONA - MSA 0280	16.52	12	7	8.33	8.33	75.00	8.33	12	0	1	1	9	1	1.30	12.22	74.81	11.67
HARRISBURG MSA 3240	9.89	20	12	5.00	15.00	65.00	15.00	25	5	1	- 1	16	4	2.67	9.92	67.94	19.47
PHILADELPHIA - MSA 6160	14.75	27	17	3.70	14.81	40.74	40.74	27	0	1	4	11	11	11.51	23.05	38.53	26.51
SCRANTON-WILKES-BARRE-HAZLETON - MSA 7560	14.96	22	14	0.00	18.18	63.64	18.18	6	2	0	0	3	1	0.43	9.41	76.57	13.59
STATE COLLEGE MSA 8050	4.83	9	6	11.11	11.11	44.44	33.33	9	0	1	1	4	3	7.53	10.66	45.18	31.82
Limited Review:																	
NON-MSA GROUP A	2.97	6	4	0.00	0.00	100.00	0.00	0	3	0	0	- 3	0	0.00	0.00	100.00	0.00
NON-MSA GROUP C	5.05	12	7	0.00	16.67	50.00	33.33	0	0	0	0	0	0	0.00	1.72	70.08	28.20
ALLENTOWN-BETHLEHEM - EASTON - MSA 0240	0.98	2	1	0.00	100.00	0.00	0.00	0	0	0	0	0	0	0.00	51.63	48.37	0.00
LANCASTER MSA 4000	0.27	2	1	0.00	0.00	50.00	50.00	0	0	0	0	0	0	2.45	12.66	72.24	12.65
BEDFORD	2.90	4	2	0.00	0.00	75.00	25.00	0	1	0	- 1	0	0	0.00	17.65	82.35	0.00
HUNTINGDON	0.00	0	0	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0.00	0.00	100.00	0.00
MONROE	0.51	1	1	0.00	0.00	100.00	0.00	0	0	0	0	0	0	0.00	0.00	35.25	64.75
READING - MSA 6680	2.25	6	4	0.00	0.00	66.67	33.33	0	0	0	0	0	0	3.47	12.00	69.37	15.16
WILLIAMSPORT - MSA 9140	5.07	6	4	0.00	16.67	66.67	16.67	0	0	0	0	0	0	0.00	9.44	79.57	11.00
YORK - MSA 9280	0.94	4	2	0.00	25.00	75.00	0.00	0	0	0	0	0	0	2.70	9.01	82.06	6.23

Table 1. Lending Volume

LENDING VOLUME													Geography: MARYLAND				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2001			
Metropolitan Area/ Assessment Area	% of Rated Area Loans (#) in MA/AA	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***								
		#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)									
Full Review:																				
CMSA 8872 - WASH	62.68	207	17,237	59	5,646	0	0	1	500	267	23,383	48.48								
GARRETT NON-MSA	37.32	126	8,196	30	1,950	0	0	3	188	159	10,334	51.52								

* Loan data as of December 31, 2001. Rated area refers to either the state or multistate MA rating area.

** The evaluation period for community development loans is from January 1, 2000, to December 31, 2001.

*** Deposit data as of June 30, 2001. Rated area refers to either the state, multistate MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE														Geography: MARYLAND				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2001			
Metropolitan Area/ Assessment Area	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) By Tract Income*										
	#	% of Total**	% Owner- Occupie d Units***	% Bank Loans	Low	Mod	Mid	Upper													
Full Review:																					
CMSA 8872 - WASH- BALT	73	57.94	1.33	0.00	17.60	12.33	71.78	72.60	9.29	15.07	1.36	14.31	78.04	6.28							
GARRETT NON-MSA	53	42.06	0.00	0.00	86.92	83.02	13.08	16.98	0.00	0.00	0.00	45.91	54.09	0.00							

* Based on 2000 Peer Mortgage Data: Northeast Region.

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

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

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT														Geography: MARYLAND				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2001			
Metropolitan Area/ Assessment Area	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) By Tract Income*										
	#	% of Total*	% Owner- Occupie d Units***	% Bank Loans	Low	Mod	Mid	Upper													
Full Review:																					

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CMSA 8872 - WASH-BALT	45	62.50	1.33	0.00	17.60	8.89	71.78	73.33	9.29	17.78	1.03	15.65	74.59	8.73
GARRETT NON-MSA	27	37.50	0.00	0.00	86.92	92.59	13.08	7.41	0.00	0.00	0.00	83.64	16.36	0.00

* Based on 2000 Peer Mortgage Data: Northeast Region.

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

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

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE ("Refinancings")		Geography: MARYLAND		Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2001										
Metropolitan Area/ Assessment Area	Total Refinancings		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) By Tract Income*			
	#	% of Total**	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	% Owner-Occupied Units***	% Bank Loans	Low	Mod	Mid	Upper
Full Review:														
CMSA 8872 - WASH-BALT	89	65.93	1.33	0.00	17.60	8.99	71.78	79.78	9.29	11.24	1.58	15.94	74.59	7.90
GARRETT NON-MSA	46	34.07	0.00	0.00	86.92	78.26	13.08	21.74	0.00	0.00	0.00	74.42	25.58	0.00

* Based on 2000 Peer Mortgage Data: Northeast Region.

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

*** Percentage of owner-occupied units is the number of owner-occupied housing units in a particular geography divided by number of owner-occupied housing units in the area based on 1990 Census.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: MARYLAND		Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2001										
Metropolitan Area/ Assessment Area	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) By Tract Income*			
	#	% of Total**	% of Businesses***	% Bank Loans	% of Businesses**	% Bank Loans	% of Businesses***	% Bank Loans	% of Businesses**	% Bank Loans	Low	Mod	Mid	Upper
Full Review:														
CMSA 8872 - WASH-BALT	59	66.29	6.44	6.78	23.09	16.95	63.25	69.49	7.17	6.78	5.89	17.74	67.01	7.13
GARRETT NON-MSA	30	33.71	0.00	0.00	85.39	63.33	14.61	36.67	0.00	0.00	0.00	73.68	21.90	0.00

* Based on 2000 Peer Small Business Data: U.S.&PR.

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

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

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: MARYLAND		Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2001										
Metropolitan Area/ Assessment Area	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total*	% Families**	% Bank Loans****	% Families**	% Bank Loans****	% Families**	% Bank Loans****	% Families**	% Bank Loans****	Low	Mod	Mid	Upper
Full Review:														

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CMSA 8872 - WASH-BALT	73	57.94	18.74	13.21	22.12	30.19	28.11	18.87	31.04	37.74	13.87	30.43	31.19	24.51
GARRETT NON-MSA	53	42.06	27.55	44.44	23.84	11.11	22.88	22.22	25.73	22.22	6.75	13.32	15.15	64.78

* Based on 2000 Peer Mortgage Data: Northeast Region.

** As a percentage of loans with borrower income information available. No information was available for 43.65% of loans originated and purchased by BANK.

*** Percentage of families is based on the 1990 Census information.

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

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT ("HI") 31, 2001		Geography: MARYLAND								Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2001				
Metropolitan Area/ Assessment Area	Total HI Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families* **	% Bank Loans****	% Families* **	% Bank Loans****	% Families* **	% Bank Loans****	% Families* **	% Bank Loans****	Low	Mod	Mid	Upper
Full Review:														
MSA 8872 - WASH-BALT	45	62.50	18.74	20.00	22.12	22.22	28.11	20.00	31.04	37.78	13.85	26.33	30.41	29.41
GARRETT NON-MSA	27	37.50	27.55	33.33	23.84	18.52	22.88	29.63	25.73	18.52	22.93	23.57	30.57	22.93

* Based on 2000 Peer Mortgage Data: Northeast Region.

*** Percentage of families is based on the 1990 Census information.

** As a percentage of loans with borrower income information available.

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

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE 31, 2001		Geography: MARYLAND								Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2001				
Metropolitan Area/ Assessment Area	Total Refinancings		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families* **	% Bank Loans****	% Families* **	% Bank Loans****	% Families* **	% Bank Loans****	% Families* **	% Bank Loans****	Low	Mod	Mid	Upper
Full Review:														
CMSA 8872 - WASH-BALT	89	65.93	18.74	6.67	22.12	32.00	28.11	22.67	31.04	38.67	14.17	25.67	32.02	28.13
GARRETT NON-MSA	46	34.07	27.55	12.82	23.84	23.08	22.88	23.08	25.73	41.03	16.51	24.44	26.03	33.02

* Based on 2000 Peer Mortgage Data: Northeast Region.

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

** As a percentage of loans with borrower income information available. No information was available for 15.56% of loans originated and purchased by bank.

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

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES 31, 2001		Geography: MARYLAND						Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2001	
Metropolitan Area/ Assessment Area	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% of Total**	% of Businesses***	% Bank Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Revenues \$ 1 Million or Less
Full Review:									
CMSA 8872 - WASH-BALT	59	66.29	87.30	38.98	76.27	11.86	11.86	7,180	2,398

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GARRETT NON-MSA	30	33.71	86.89	66.67	86.67	6.67	6.67	589	258
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* Based on 2000 Peer Small Business Data: U.S.&PR.

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

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

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 25.84% of small loans to businesses originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: MARYLAND				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2001			
Metropolitan Area/ Assessment Area	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
CMSA 8872 - WASH-BALT	0	0	2	20	2	20	35.09	0	0
GARRETT NON-MSA	0	0	1	37	1	37	64.91	0	0

* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS				Geography: MARYLAND				Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2001									
Metropolitan Area/ Assessment Area	Deposits	Branches				Branch Openings/Closings				Population							
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches(+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upper			Low	Mod	Mid	Upper	Low	Mod	Mid	Upper
Full Review:																	
CMSA 8872 - WASH-BALT	48.48	8	62	0.00	25.00	75.00	0.00	8	0	0	2	6	0	2.92	22.54	64.65	7.84
GARRETT NON-MSA	51.52	5	38	0.00	60.00	40.00	0.00	5	0	0	3	2	0	0.00	88.85	11.15	0.00

Table 1. Lending Volume

LENDING VOLUME 31, 2001		Geography: INTERSTATE PMSA 1900						Evaluation Period: JANUARY 1, 2000 TO DECEMBER				
Metropolitan Area/ Assessment Area	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	
Full Review:												
CUMBERLAND MD/WV MSA	100.00	373	16,169	101	8,454	0	0	7	4,293	481	28,916	100.00

* Loan data as of December 31, 2001. Rated area refers to either the state or multistate MA rating area.

** The evaluation period for community development loans is from January 1, 2000, to December 31, 2001.

*** Deposit data as of June 30, 2001. Rated Area refers to either the state, multistate MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE DECEMBER 31, 2001		Geography: INTERSTATE PMSA 1900						Evaluation Period: JANUARY 1, 2000 TO						
Metropolitan Area/ Assessment Area	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) By Tract Income*			
	#	% of Total**	% Owner - Occupie d Units***	% BANK Loans	% Owner - Occupie d Units***	% Bank Loans	% Owner - Occupie d Units***	% Bank Loans	% Owner - Occupie d Units***	% Bank Loans	Low	Mod	Mid	Upper
Full Review:														
CUMBERLAND MD/WV	129	100.00	0.12	0.00	9.70	11.63	75.18	74.42	15.00	13.95	0.11	11.05	61.60	27.24

* Based on 2000 Peer Mortgage Data: Northeast Region.

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

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

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT DECEMBER 31, 2001		Geography: INTERSTATE PMSA 1900						Evaluation Period: JANUARY 1, 2000 TO						
Metropolitan Area/ Assessment Area	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total*	% Owner - Occupie d Units***	% Bank Loans	% Owner - Occupie d Units***	% Bank Loans	% Owner - Occupie d Units***	% Bank Loans	% Owner - Occupie d Units***	% Bank Loans	Low	Mod	Mid	Upper

Full Review:

CUMBERLAND MD/WV	85	100.0 0	0.12	0.00	9.70	11.76	75.18	81.18	15.00	7.06	0.00	14.86	66.29	18.86
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* Based on 2000 Peer Mortgage Data: Northeast Region.

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

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

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE TO DECEMBER 31, 2001		Geography: INTERSTATE PMSA 1900								Evaluation Period: JANUARY 1, 2000				
Metropolitan Area/ Assessment Area	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) By Tract Income*			
	#	% of Total**	% Owner - Occupied Units***	% Bank Loans	% Owner - Occupied Units***	% Bank Loans	% Owner - Occupied Units***	% Bank Loans	% Owner - Occupied Units***	% Bank Loans	Low	Mod	Mid	Upper
Full Review:														
CUMBERLAND MD/WV	159	100.00	0.12	0.00	9.70	7.55	75.18	72.96	15.00	19.50	0.55	12.16	71.30	15.99

* Based on 2000 Peer Mortgage Data: Northeast Region.

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

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

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES TO DECEMBER 31, 2001		Geography: INTERSTATE PMSA 1900								Evaluation Period: JANUARY 1, 2000				
Metropolitan Area/ Assessment Area	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*			
	#	% of Total**	% of Businesses***	% Bank Loans	% of Businesses**	% BANK Loans	% of Businesses***	% Bank Loans	% of Businesses**	% Bank Loans	Low	Mod	Mid	Upper
Full Review:														
CUMBERLAND MD/WV	101	100.00	7.63	9.90	10.79	11.88	61.44	49.50	20.14	28.71	3.47	10.40	62.62	16.75

* Based on 2000 Peer Small Business Data: U.S.&PR.

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

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

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE DECEMBER 31, 2001		Geography: INTERSTATE PMSA 1900								Evaluation Period: JANUARY 1, 2000 TO				
Metropolitan Area/ Assessment Area	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total*	% Families**	% Bank Loans****	% Families**	% Bank Loans****	% Families**	% Bank Loans****	% Families**	% Bank Loans****	Low	Mod	Mid	Upper
Full Review:														

**Manufacturers and Traders Trust Company
Buffalo, NY**

**CRA Public Evaluation
June 17, 2002**

CUMBERLAND MD/WV	129	100.0 0	19.72	9.76	18.44	32.93	22.86	29.27	38.98	28.05	6.50	20.13	28.66	44.71
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* Based on 2000 Peer Mortgage Data: Northeast Region.

** As a percentage of loans with borrower income information available. No information was available for 36.43% of loans originated and purchased by bank.

*** Percentage of families is based on the 1990 Census information.

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

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT DECEMBER 31, 2001		Geography: INTERSTATE PMSA 1900								Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2001				
Metropolitan Area/ Assessment Area	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families* **	% Bank Loans****	% Families* **	% Bank Loans****	% Families* **	% Bank Loans****	% Families* **	% Bank Loans****	Low	Mod	Mid	Upper
Full Review:														
CUMBERLAND MD/WV	85	100.00	19.72	17.28	18.44	24.69	22.86	28.40	38.98	29.63	10.68	23.15	26.11	40.06

* Based on 2000 Peer Mortgage Data: Northeast Region.

** As a percentage of loans with borrower income information available. No information was available for 4.71% of loans originated and purchased by bank.

*** Percentage of families is based on the 1990 Census information.

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

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE TO DECEMBER 31, 2001		Geography: INTERSTATE PMSA 1900								Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2001				
Metropolitan Area/ Assessment Area	Total Refinancings		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families* **	% Bank Loans****	% Families* **	% Bank Loans****	% Families* **	% Bank Loans****	% Families* **	% Bank Loans****	Low	Mod	Mid	Upper
Full Review:														
CUMBERLAND MD/WV	159	100.00	19.72	3.31	18.44	9.93	22.86	29.14	38.98	57.62	7.73	18.45	29.31	44.50

* Based on 2000 Peer Mortgage Data: Northeast Region.

** As a percentage of loans with borrower income information available. No information was available for 5.03% of loans originated and purchased by BANK.

*** Percentage of families is based on the 1990 Census information.

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

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES DECEMBER 31, 2001		Geography: INTERSTATE PMSA 1900					Evaluation Period: JANUARY 1, 2000 TO DECEMBER 31, 2001		
Metropolitan Area/ Assessment Area	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% of Total**	% of Businesses***	% Bank Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Revenues \$ 1 Million or Less
Full Review:									

Manufacturers and Traders Trust Company
Buffalo, NY

CRA Public Evaluation
June 17, 2002

CUMBERLAND MD/WV	101	100.00	88.17	55.45	84.16	7.92	7.92	1,212	462
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* Based on 2000 Peer Small Business Data: US&PR.

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

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

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 23.76% of small loans to businesses originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS DECEMBER 31, 2001		Geography: INTERSTATE PMSA 1900				Evaluation Period: JANUARY 1, 2000 TO			
Metropolitan Area/ Assessment Area	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
CUMBERLAND MD/WV	0	0	10	56	10	56	100.00	0	0

* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS JANUARY 1, 2000 TO DECEMBER 31, 2001				Geography: INTERSTATE PMSA 1900				Evaluation Period:									
Metropolitan Area /Assessment Area	Deposits	Branches				Branch Openings/Closings				Population							
	% of Rated Area Deposits in AA	# of Bank Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upper			Low	Mod	Mid	Upper	Low	Mod	Mid	Upper
Full Review:																	
CUMBERLAND MD/WV	100.00	13	100	15.38	0.00	61.54	23.08	13	0	2	0	8	3	0.53	12.19	74.16	13.13

CRA APPENDIX E

INSERT

FIRST OF TWO ASSESSMENT AREA MAP(S)

CRA APPENDIX E

INSERT

SECOND OF TWO ASSESSMENT AREA MAP(S)