

# **PUBLIC DISCLOSURE**

May 8, 2006

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Manufacturers and Traders Trust Company  
RSSD No. 501105

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Buffalo, New York 14203

Federal Reserve Bank of New York  
33 Liberty Street  
New York, New York 10045

**NOTE:** This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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## INSTITUTION 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	MANUFACTURERS AND TRADERS TRUST COMPANY		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding		<b>X</b>	<b>X</b>
High Satisfactory	<b>X</b>		
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.

The major factors supporting the institution's rating follow:

- The volume of lending related to the Home Mortgage Disclosure Act ("HMDA") and small businesses reflected good responsiveness to credit needs in the bank's assessment areas.
- The geographic distribution of lending was good.
- The distribution of loans to individuals of different income levels and businesses of different sizes was good.
- The bank was a leader in making community development loans and qualified investments.
- Retail delivery systems were readily accessible to geographies and individuals of different income levels.

## INSTITUTION

### DESCRIPTION OF INSTITUTION\*

<b>Total assets</b>	<b>\$54.4 billion</b>
<b>Net loans &amp; leases</b>	<b>\$38.0 billion</b>
<b>Total domestic deposits</b>	<b>\$34.0 billion</b>
<b>Number of branches</b>	<b>627</b>
<b>Headquarters</b>	<b>Buffalo, NY</b>
<b>Bank holding company</b>	<b>M&amp;T Bank Corporation</b>

\* As of December 31, 2005.

Manufacturers and Traders Trust Company (“M&T”) is a full-service commercial bank with offices in New York, Pennsylvania, Maryland, the District of Columbia, Virginia, West Virginia and Delaware. It is the 24<sup>th</sup> largest bank in the U.S. in terms of asset size.

M&T and its affiliates provide a wide range of consumer-related financial services including:

- Retail deposit services;
- Home mortgage, refinance, home improvement, home equity and other consumer loans;
- Lending products and deposit services for small businesses and middle-market companies; and
- Community development loans and investments.

As described below and illustrated in maps starting on page BB185, M&T has seven state or multistate areas subject to CRA ratings, and these include 39 assessment areas.

#### 1. NEW YORK STATE

- MSA 15380 (Buffalo-Niagara Falls, NY)
- MSA 35620 (New York –Northern New Jersey – Long Island, NY-NJ-PA)
- MSA 40380 (Rochester, NY)
- MSA 45060 (Syracuse, NY)
- MSA 39100 (Poughkeepsie-Newburgh-Middletown, NY)
- MSA 13780 (Binghamton, NY)
- NY Non-MSA Group A (Allegany County, Cattaraugus County, Chautauqua County, Genesee County, Wyoming County, Steuben County)
- MSA 10580 (Albany-Schenectady-Troy, NY)
- MSA 28740 (Kingston, NY)

- MSA 27060 (Ithaca, NY)
- NY Non-MSA Group B (Cayuga County, Seneca County, Cortland County)
- NY Non-MSA Group C (Sullivan County)
- MSA 45640 (Utica-Rome, NY)
- MSA 21300 (Elmira, NY)

## 2. State of Pennsylvania

- MSA 49620 (York-Hanover, PA),
- MSA 25420 (Harrisburg-Carlisle, PA)
- MSA 42540 (Scranton-Wilkes-Barre, PA)
- PA Non-MSA Group A (Columbia, Schuylkill, Northumberland, Montour, Bradford, Sullivan, Snyder and Union Counties),
- MSA 39740 (Reading, PA)
- PA Non-MSA Group C (Adams, Franklin, Huntington and Bedford Counties)
- MSA 11020 (Altoona, PA)
- MSA 29540 (Lancaster, PA)
- MSA 48700 (Williamsport, PA)
- MSA 44300 (State College, PA)
- MSA 10900 (Allentown-Bethlehem-Easton, PA)
- MSA 30140 (Lebanon, PA)
- PA Non-MSA Group D (Clearfield and Clinton Counties)
- PA Non-MSA Group B (Monroe County)

## 3. State of Maryland

- MSA 12580 (Baltimore-Towson, MD)
- MSA 25180 (Hagerstown-Martinsburg, MD – WV)
- MSA 41540 (Salisbury, MD)
- MD Non-MSA Group D (Garrett County)
- MD Non-MSA Group A (Caroline County, Dorchester County, Talbot County)
- MD Non-MSA Group C (Worcester County)
- MD Non-MSA Group B (St. Mary's County)

## 4. MSA 47900 (Washington-Arlington-Alexandria, DC-VA-MD-WV)

- Includes MD 13644 (Bethesda-Gaithersburg-Frederick, MD) and portions of MD 47894 (Washington-Arlington-Alexandria, DC-VA- MD-WV)

## 5. MSA 37980 (Philadelphia, Camden, Wilmington, PA-NJ-DE-MD)

- Includes MD 37964 (Philadelphia, PA) and portions of MD 48864 (Wilmington, DE-MD-NJ-MD)

## 6. MSA 19060 (Cumberland MD-WV)

- Allegany County, MD and Mineral County, WV

## 7. State of Delaware

- Non-MSA Sussex County

M&T has no financial or legal impediments that would prevent it from fulfilling its responsibilities under CRA. The bank received a rating of *Outstanding* at its previous CRA examination as of June 14, 2004.

## SCOPE OF EXAMINATION

### Procedures

M & T's assessment areas were reviewed using the Federal Financial Institutions Examination Council's *Interagency CRA Procedures for Large Retail Financial Institutions*.

### Products

Home purchase, refinance, small business and other loans qualifying as community development loans were evaluated. The mortgage loans were reported under HMDA and the small business loans evaluated were reported under the CRA. Examiners verified the integrity of HMDA-related and small business loan data reported by the bank and its affiliates in 2004 and 2005.

M&T also extends home improvement loans, small farm loans and multifamily loans. These loan types were not analyzed during this examination because the bank's retail product strategies resulted in low volumes that would not affect the overall conclusions if included. Multifamily loans qualifying as community development loans were considered in the evaluation of community development lending.

### Affiliate Lending

At the request of management, activities of the following consumer-related M&T affiliates were considered during the examination:

- Activities of M&T Mortgage Corporation, a consumer mortgage lender.
- Activities of M&T Realty Capital Corporation and M&T Real Estate Trust, wholly owned bank subsidiaries with the principal business of originating and selling commercial, development and construction financings, including small business and multifamily loans.
- 2004 small business lending activities of M&T Bank, N.A., a limited purpose institution that provided credit lines and business credit cards. In 2004 the bank discontinued the

origination of small business credit cards and sold its small business credit card portfolio.

### **Examination Period**

HMDA-related and CRA-reportable small business loans originated between January 1, 2004 and December 31, 2005 were considered in the evaluation. Examiners also reviewed community development loans, investments and services for the same period as well as activities pertaining to the service test.

### **Lending Distribution Analysis**

Only loans in M&T's assessment areas were included in the analysis of geographic and borrower distribution. To evaluate the geographic distribution of HMDA-related loans, the proportion of loan originations was compared with the proportion of owner-occupied housing units in low- and moderate-income ("LMI") and non-LMI geographies. For small business loans, the analysis compared the proportion of loans originations with the proportion of businesses located in LMI and non-LMI geographies. Performance was rated based on penetration in LMI geographies, but performance in low- and moderate- income geographies was analyzed separately. The analysis took into account lending opportunities in low- income tracts relative to moderate-income tracts as indicated by demographic data and aggregate lending patterns.

In order to analyze the borrower characteristics of HMDA-related loans, the proportion of originations to LMI borrowers was compared with the proportion of LMI families in the assessment areas. Income estimates from the U.S. Department of Housing and Urban Development ("HUD") were used to categorize borrower income. HUD-adjusted median family income figures for 2004 were used to categorize borrower income level for 2004 loans and 2005 HUD-adjusted median family income estimates were used to categorize 2005 loans. 2004 Dun and Bradstreet data were used for demographic information relating to the proportion of businesses with gross annual revenues ("GAR") of less than or equal to \$1 million. The size of the small business loan was also used as a proxy to identify lending to smaller businesses.

HMDA-related and small business loan performance was also compared with the aggregate of all lenders in M&T's assessment areas subject to HMDA and/or CRA small business loan reporting. For both HMDA-related and small business lending, lending patterns were compared with the 2004 aggregate. Aggregate information was not available for 2005 at the time of the examination.

In order to provide a meaningful analysis of the geographic distribution of lending or borrower characteristics, an assessment area must contain sufficient loan volume of at least 50 loans per product.

### **Deriving Overall Conclusions**

M&T's performance in New York State received the most weight in determining the bank's overall rating because of its concentration of deposits, lending and demographics in the state.

The Maryland and the Pennsylvania assessment MD 13644 (Bethesda-Gaithersburg-Frederick, MD) areas were also weighted significantly. The remaining assessment areas, each with less than 5% of loans and deposits, did not have a substantial effect on the overall rating. For details, see Exhibit 1, Summary of Key Assessment Data. To reach a conclusion about the bank's overall performance in an assessment area, products were weighted based on their dollar volume in that area.

In order to learn more about community credit needs, examiners conducted 14 interviews with community contacts during the examination. Contacts were located throughout the bank's assessment areas and included representatives of community-based organizations, municipalities and quasi-government agencies.

**EXHIBIT 1**  
**Summary of Key Assessment Area Data**

	New York State	State of Pennsylvania	State of Maryland	MSA 47900	MSA 37980	MSA 19060	State of Delaware	TOTALS
<b>Total Population</b>	<b>17,353,316</b>	<b>4,368,802</b>	<b>3,136,514</b>	<b>4,126,260</b>	<b>3,935,598</b>	<b>102,008</b>	<b>156,638</b>	<b>33,179,136</b>
Population % of AA population	52%	13%	9%	12%	12%	0%	0%	100%
<b>Families</b>	<b>4,217,855</b>	<b>1,217,129</b>	<b>785,086</b>	<b>1,020,706</b>	<b>993,755</b>	<b>26,762</b>	<b>44,090</b>	<b>8,305,383</b>
Families % of AA families	51%	15%	9%	12%	12%	0%	1%	100%
<b>Total Census Tracts</b>	<b>4,452</b>	<b>1,003</b>	<b>732</b>	<b>897</b>	<b>1,003</b>	<b>30</b>	<b>36</b>	<b>8,153</b>
Tracts % AA tracts	55%	12%	9%	11%	12%	0%	0%	100%
<b>LMI tracts</b>	<b>1,430</b>	<b>197</b>	<b>250</b>	<b>298</b>	<b>315</b>	<b>3</b>	<b>0</b>	<b>2,493</b>
LMI tracts % all AA LMI tracts	57%	8%	10%	12%	13%	0%	0%	100%
<b>Total Owner-Occupied Units</b>	<b>3,490,800</b>	<b>1,220,794</b>	<b>778,818</b>	<b>975,603</b>	<b>1,021,253</b>	<b>28,964</b>	<b>50,505</b>	<b>7,566,737</b>
Units % of AA units	46%	16%	10%	13%	13%	0%	1%	100%
<b>Business Establishments</b>	<b>644,147</b>	<b>146,627</b>	<b>109,662</b>	<b>182,116</b>	<b>138,175</b>	<b>2,930</b>	<b>6,532</b>	<b>1,230,189</b>
Bus. est. % AA bus. est.	52%	12%	9%	15%	11%	0%	1%	100%
<b>Number of Branches</b>	<b>242</b>	<b>197</b>	<b>97</b>	<b>53</b>	<b>28</b>	<b>9</b>	<b>1</b>	<b>627</b>
Branches % all branches	39%	31%	15%	8%	4%	1%	0%	100%
<b>Branches in LMI tracts</b>	<b>47</b>	<b>42</b>	<b>21</b>	<b>15</b>	<b>6</b>	<b>1</b>	<b>0</b>	<b>132</b>
LMI branches % AA LMI branches	36%	32%	16%	11%	5%	1%	0%	100%
<b>Branch Deposits (\$'000s)</b>	<b>16,926</b>	<b>7,171</b>	<b>6,228</b>	<b>1,780</b>	<b>684</b>	<b>250</b>	<b>13</b>	<b>33,052</b>
Deposits % AA deposits	51%	22%	19%	5%	2%	1%	0%	100%
Deposit Market Share (%)/ Rank in Market*	Not Applicable	Not Applicable	Not Applicable	1/12	.3/30	30/1	<1/15	Not Applicable
<b>Home Purchase Originations</b>	<b>9,586</b>	<b>3,772</b>	<b>810</b>	<b>621</b>	<b>442</b>	<b>160</b>	<b>44</b>	<b>15,435</b>
HP originations % AA orig.	62%	24%	5%	4%	3%	1%	0%	100%
<b>Refinance Originations</b>	<b>4,283</b>	<b>4,452</b>	<b>1,118</b>	<b>613</b>	<b>380</b>	<b>186</b>	<b>32</b>	<b>11,064</b>
Refi orig. % AA orig.	39%	40%	10%	6%	3%	2%	0%	100%
<b>Home Improvement Originations</b>	<b>1,163</b>	<b>1,080</b>	<b>284</b>	<b>109</b>	<b>90</b>	<b>52</b>	<b>7</b>	<b>2,785</b>
Home Improvement orig. % AA orig.	42%	39%	10%	4%	3%	2%	0%	100%
<b>Small Business Originations</b>	<b>13,059</b>	<b>7,405</b>	<b>3,909</b>	<b>1,788</b>	<b>911</b>	<b>226</b>	<b>21</b>	<b>27,319</b>
SB orig. % AA orig.	48%	27%	14%	7%	3%	1%	0%	100%
<b>Combined Loan Totals</b>	<b>28,091</b>	<b>16,709</b>	<b>6,121</b>	<b>3,131</b>	<b>1,823</b>	<b>624</b>	<b>104</b>	<b>56,603</b>
% of AA Orig.	50%	30%	11%	6%	3%	1%	0%	100%

Branch numbers are as of 12/31/2005. Branch deposits and deposit market share are from the FDIC as of 6/30/05. Originations are loans reported under HMDA or CRA small business reporting for 2004 and 2005. Demographic information was obtained from the 2000 Census. Business establishments information was reported by D&B for 2004.

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

### LENDING TEST

M&T's overall performance in meeting the credit needs of its assessment areas is rated *high satisfactory*.

The tables in Appendix D list the data used to evaluate the bank's lending test performance in its various assessment areas. Lending activity is depicted in Table 1, geographic distribution in Tables 2-4, and borrower characteristics are depicted in Tables 5-7. Please note that the tables for borrower characteristics portray only 2004 loans.

#### Lending Activity:

M&T's responsiveness to the retail credit needs of its assessment areas was good, given the bank's capacity to meet assessment area credit needs and overall market conditions. This was determined by evaluating the volume of HMDA-related and small business loans originated during the examination period. This conclusion is based on good performance in New York and Pennsylvania, adequate performance in Maryland, MSA 37980 (Philadelphia-Camden-Wilmington, PA-NJ-DE-MD), MSA 47900 (Washington-Arlington-Alexandria, DC-VA,MD,WV) and Delaware and excellent performance in MSA 19060 (Cumberland, MD-WV).

Overall, 59,357 home purchase, refinance and small business loans were originated in the bank's assessment areas, totaling \$8.6 billion, as detailed in Exhibit 2, below.

<b>EXHIBIT 2</b>				
<b>Summary of Lending Activity</b>				
<b>January 1, 2004 – December 31, 2005</b>				
<b>Loan Type</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
HMDA Home Purchase	<b>18,274</b>	<b>31</b>	<b>\$2,633,469</b>	<b>31</b>
HMDA Refinancings	<b>13,581</b>	<b>23</b>	<b>\$1,608,404</b>	<b>19</b>
<b>Total HMDA-related</b>	<b>31,855</b>	<b>54</b>	<b>\$4,241,873</b>	<b>50</b>
<b>Total Small Business</b>	<b>27,502</b>	<b>46</b>	<b>\$4,321,256</b>	<b>50</b>
<b>TOTAL LOANS</b>	<b>59,357</b>	<b>100</b>	<b>\$8,563,129</b>	<b>100</b>

Note: This table includes bank and affiliate loans originated in the bank's assessment area.

**Assessment Area Concentration:** A substantial majority of loans originated by M & T were extended in the bank's assessment areas as detailed in Exhibit 3.

<b>EXHIBIT 3</b>								
<b>Lending Inside and Outside the Assessment Area</b>								
<b>January 1, 2004 – December 31, 2005</b>								
<b>Loan Type</b>	<b>Inside</b>				<b>Outside</b>			
	<b>#</b>	<b>%</b>	<b>\$ (000s)</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$ (000s)</b>	<b>%</b>
Home Purchase	128	89	14,069	93	16	11	\$1,001	7
Refinancing	4,013	97	288,822	83	125	3	\$58,151	17
<b>Total HMDA-related</b>	<b>4,141</b>	<b>97</b>	<b>302,891</b>	<b>84</b>	<b>141</b>	<b>3</b>	<b>\$59,152</b>	<b>16</b>
<b>Total Small Business</b>	<b>26,176</b>	<b>87</b>	<b>3,887,956</b>	<b>85</b>	<b>4,042</b>	<b>13</b>	<b>\$666,701</b>	<b>15</b>
<b>TOTAL LOANS</b>	<b>30,317</b>	<b>88</b>	<b>4,190,847</b>	<b>85</b>	<b>4,183</b>	<b>12</b>	<b>\$725,853</b>	<b>15</b>

Note: This table includes only loans originated or purchased by the bank. Affiliate loans are not included.

**Geographic Distribution:**

The overall geographic distribution of HMDA-related and small business loans reflected good penetration in LMI geographies based on good penetration in most assessment areas. Exceptions include the New York assessment area and MSA 47900 (Washington-Arlington-Alexandria DC-VA-MD-WY), where LMI penetration was excellent, and the Delaware assessment area where the geographic distribution was adequate.

**Borrower Distribution:**

The overall distribution of loans among borrowers of different income levels and businesses of different sizes was good based on good distribution in New York, Pennsylvania, MSA 47900 (Washington-Arlington-Alexandria, DC-VA-MD-WV), MSA 37980 (Philadelphia-Camden-Wilmington, PA-NJ-DE-MD) and MSA 19060 (Cumberland, MD-WV). Adequate lending performance was noted in Maryland, and Delaware.

**Community Development Lending:**

M&T's community development lending performance was outstanding based on excellent performance in New York, Maryland, MSA 47900 (Washington-Arlington-Alexandria, DC, VA, MD, WV), and MSA 37980 (Philadelphia-Wilmington, PA, DE) and good performance in Pennsylvania. Performance in MSA 19060 (Cumberland, MD, WV) and Delaware was weak and needs to improve.

<b>Community Development Lending</b>		
<b>Purpose</b>	<b>#</b>	<b>\$( '000s)</b>
Affordable Housing	125	\$432,619
Economic Development	64	\$299,813
Community Services	98	\$132,157
Revitalize and Stabilize	18	\$126,505
<b>Totals</b>	<b>305</b>	<b>\$991,094</b>

As shown in the table above, the bank extended 305 community development loans totaling \$991 million, which includes \$805 million in new commitments. This includes six letters of credit amounting to \$110 million, originated during the examination period. It also includes five loans totaling approximately \$10 million that were extended outside the bank's assessment area but that benefited a broader regional area. The bank's community development lending volume was generally comparable to similarly situated banks in the New York, Pennsylvania and Maryland full scope assessment areas. For community development loan details, see all lending volume tables numbered 1 in Appendix D.

M&T's community development lending was responsive to community needs. Affordable housing initiatives represented 44% of total activity. According to community contacts, financing for affordable housing is an important need in all of the bank's assessment areas. The bank's lending to support economic development represented 30% of total activity. Economic development initiatives included loans to preserve and create jobs in economic development zones in New York, Maryland, and Pennsylvania. Lending for community service initiatives represented 13% of total activity while lending to revitalize and stabilize LMI geographies represented 13% of total activity.

## **INVESTMENT TEST**

M&T investment performance is rated outstanding based on excellent performance in New York, Maryland, MSA 47900 (Washington, Arlington, Alexandria, DC-VA-MD-WV) and MSA 37980 (Philadelphia, Camden, Wilmington, PA-NJ-DE-MD), good performance in Pennsylvania and adequate performance in MSA 19060 (Cumberland, MD-WV) and Delaware.

The bank demonstrated excellent responsiveness to community credit needs. Qualified investments totaled \$242 million. Of the total, \$172 million were new investments made since the prior examination. The bank's qualified investment volume was generally comparable to similarly situated large retail banks in the New York, Pennsylvania and Maryland full scope assessment areas.

Most of the investments, \$156 million, were concentrated in the form of low-income housing tax credits (LIHTCs) which helps to provide affordable housing to low-and moderate-income individuals.

Eighty three percent, or \$201 million, of total investments supported the development of affordable housing, an important community credit need. Economic development activity through deposits in local credit unions or investment in loan funds and limited partnerships represented \$24 million, or 10% of total activity. Investments directed to community development services organizations totaled \$15 million, or 6% of total activity.

Details of investments may be found in all Appendix D tables labeled Table 8.

## SERVICE TEST

M&T's rating on the service test is outstanding based primarily on its excellent performance in New York, Pennsylvania and in MSA 47900 (Washington-Arlington-Alexandria, DC-VA-MD-WV) and MSA 19060 (Cumberland, MD-WV). M&T's performance in Maryland and MSA 37980 (Philadelphia-Camden-Wilmington, PA-NJ-DE) was good. In Delaware, the bank's performance was adequate.

**Retail Services:** M&T's branches were readily accessible to all portions of its assessment areas. Of the bank's 627 branches, 132, or 21%, were located in LMI areas. Alternative delivery systems enhanced the bank's performance in its assessment areas. M&T operated 565 off-site ATM locations across its assessment areas; 108 of these ATMs, or 19%, were located in LMI areas.

Although the bank opened and closed branches, the changes did not adversely affect overall accessibility of delivery systems. During the evaluation period, M&T opened four new branches, one of which was located in an LMI area. In addition, the bank closed 30 branches during the evaluation period. Of these 30 closed branches, eight, or 27%, were located in LMI areas.

Extended morning, evening and Saturday hours were widely scheduled and tailored to the convenience and needs of the assessment areas, including LMI areas. In addition, M&T Mortgage Corporation operated 26 sales offices in the bank's assessment areas (three in Maryland, 11 in New York, 11 in Pennsylvania and one in Delaware). Seven of the sales offices, or 27%, were located in LMI areas.

Details of Distribution of Branch Delivery System and Branch Openings/Closings are provided in all Appendix D tables labeled Table 9.

### Community Development Services:

M&T was a leader in providing community development services based primarily on performance in New York, Pennsylvania and MSA 47900 (Washington-Arlington-Alexandria, DC-VA-MD-WV). As shown in the table at right, the bank provided an excellent level of services,

Community Development Services	
Type	#
Mortgage Education Seminars	1,381
Small Business Seminars	82
Financial Literacy Presentations	52

including sponsoring and participating in a significant number of seminars and presentations relating to affordable mortgages, small business assistance, and other banking education throughout its assessment areas. These types of events provided technical assistance and training to LMI individuals, community organizations, small businesses and housing agencies.

M&T employees also serve on numerous boards and committees of community development organizations and provide financial management expertise and technical assistance to these organizations.

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

- M&T Totally Free Checking is a consumer account that has no minimum balance requirement, no monthly service fee and no per check charges. Totally Free Checking provides greater access to banking services for low- and moderate-income consumers.
- M&T Free Business Checking is an account with no monthly maintenance fee, no minimum balance requirement and the first 75 transactions are free. The account provides greater access to banking services for small businesses.
- M&T is an active participant in the Federal Home Loan Bank of New York's (FHLB) Affordable Housing Program (AHP). The purpose of the AHP is to provide subsidies for projects that finance homeownership for households at 80% or below the area median income, or projects which finance rental housing where at least 20% of the units will be occupied by and affordable to households at 50% or below the area median income. Only member institutions of the FHLB can submit AHP applications. Therefore, nonprofit agencies, local governments, and community development organizations must obtain the support of member institutions to apply for AHP funds. In addition to sponsoring applications, M&T is responsible for monitoring the approved project and ensuring that the affordable housing project is consistent with its approved program objectives. In 2004 and 2005, M&T secured \$2.5 million in funding for 13 AHP grant applicants. These projects will create 488 units of affordable housing.
- In its New York assessment areas, M&T offers the First Home Club Program, a matched savings program funded by the Federal Home Loan Bank of New York. The savings program provides a 3 to 1 match of the participants own savings to be used toward a down payment and closing costs. To qualify for the program, depositors must meet income guidelines that effectively reserve the program for low- and moderate-income families. M&T currently partners with 22 non-profit counseling agencies and provides a free personal savings account to participants. M&T has enrolled 108 customers in the First Home Club Program.
- In its Pennsylvania assessment areas, M&T offers the Family Savings Account (FSA) Program, a matched savings program funded by the Pennsylvania Department of Economic and Community Development. Participants save a set minimum amount per week for up to two years. At the end of that period, account holders use the accumulated savings, plus a 100% match from the state, for a specific, pre-determined use (home-ownership, home repair, advanced education, or small business start-up.) To qualify for the program, depositors must meet income guidelines that effectively reserve the program for low- and moderate-income families. M&T has partnered with two non-profit organizations approved by the State for participation in the Program. The bank currently has 23 active FSA accounts.

- M&T participates in the Electronic Benefits Transfer Program (EBT). EBT is used in most States to issue food stamp and other Federal benefits to recipients electronically. In 2005, M&T processed over 320,000 transactions.

#### **FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

No evidence of discriminatory or other illegal credit practices, including the Equal Credit Opportunity Act and the Fair Housing Act, was identified as being inconsistent with helping to meet community credit needs.

## STATE OF NEW YORK

### ***CRA RATING FOR NEW YORK STATE: OUTSTANDING***

***The lending test is rated: High Satisfactory.***

***The investment test is rated: Outstanding.***

***The service test is rated: Outstanding.***

The major factors supporting the rating include:

- Good responsiveness to assessment area credit needs;
- Excellent geographic distribution of loans in the bank's assessment area;
- Good distribution of loans among individuals of different income levels and businesses of different sizes;
- An excellent level of community development lending;
- An excellent level of qualified investments; and
- Readily accessible delivery systems to geographies and individuals of different income levels.

### **SCOPE OF EXAMINATION**

Examiners conducted full-scope analyses of the following six assessment areas in New York State:

- MSA 15380 (Buffalo-Niagara Falls, NY): Includes Erie and Niagara Counties.
- MSA 35620 (New York–Northern New Jersey–Long Island, NY-NJ-PA): Includes Bronx, Kings, New York, Queens, Putnam, Rockland, Westchester, Nassau, and Suffolk counties, all in New York State.
- MSA 40380 (Rochester, NY): Includes Livingston, Monroe, Ontario, Orleans and Wayne Counties.
- MSA 45060 (Syracuse, NY): Includes Madison and Onondaga Counties.
- MSA 39100 (Poughkeepsie - Newburgh –Middletown, NY): Includes Dutchess and Orange Counties.

- MSA 10580 (Albany – Schenectady – Troy, NY): Includes Albany, Rensselaer, Saratoga and Schenectady counties.

As shown in Exhibit 4 on page BB16, the combined full-scope areas make up more than 80% of the bank's loans and deposits in the state.

In order to derive the state rating, full-scope assessment areas were weighted based on the proportion of loan originations and insured deposits in each. Limited reviews were conducted of the remaining New York assessment areas:

1. MSA 13780 (Binghamton, NY)
2. NY Non-MSA Group A (Allegany County, Cattaraugus County, Chautauqua County, Genesee County, Wyoming County, Steuben County)
3. MSA 28740 (Kingston, NY)
4. MSA 27060 (Ithaca, NY)
5. NY Non-MSA Group B (Cayuga County, Seneca County, Cortland County)
6. NY Non-MSA Group C (Sullivan County)
7. MSA 45640 (Utica-Rome, NY)
8. MSA 21300 (Elmira, NY)

## **DESCRIPTION OF INSTITUTION'S OPERATIONS**

M&T's performance in the New York State assessment areas received the most weight in deriving the bank's overall CRA performance rating. As detailed in Exhibit 1 on page BB7, 39% of branches and 51% of branch deposits were located in the New York State assessment areas. Furthermore, 62% of home purchase loans, 39% of refinance loans and 48% of small business loans were originated in the New York state assessment areas during the examination period.

M&T had a 2.5% deposit market share and ranks seventh in the counties of New York State where the bank has assessment areas. The top banks based on deposit market share as of June 30, 2005 are JP Morgan Chase, Citibank, N.A., HSBC Bank USA, the Bank of New York, North Fork Bank and Bank of America, NA..

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NEW YORK STATE**

### **LENDING TEST**

M&T's lending test performance is rated high satisfactory based on good performance in all of the full-scope assessment areas.

The data used to evaluate the bank's performance in the state assessment areas appear in the New York sections of the Appendix D tables. Lending activity is depicted in New York State Table 1, geographic distribution in New York State Tables 2-4, and borrower characteristics are depicted in New York State Tables 5-7.

	MSA 15380	MSA 35620	MSA 40380	MSA 45060	MSA 39100	MSA 13780	Non-MSA Group A	MSA 10580	MSA 28740	MSA 27060	Non-MSA Group B	Non-MSA Group C	MSA 45640	MSA 21300	TOTALS
Population % of AA population	7%	67%	6%	3%	4%	1%	2%	5%	1%	1%	1%	0%	2%	1%	100%
Families	303,215	2,801,859	263,806	133,718	154,804	56,057	101,289	202,797	43,790	19,259	41,314	18,446	59,378	18,123	4,217,855
Families % of AA families	7%	66%	6%	3%	4%	1%	2%	5%	1%	0%	1%	0%	1%	0%	100%
Tracts % AA tracts	7%	67%	6%	4%	3%	1%	2%	5%	1%	1%	1%	1%	2%	0%	100%
LMI tracts	95	1,042	83	47	31	17	12	58	7	5	1	2	24	6	1,430
LMI tracts % all AA LMI tracts	7%	73%	6%	3%	2%	1%	1%	4%	0%	0%	0%	0%	2%	0%	100%
Units % of AA units	15%	53%	8%	4%	4%	2%	3%	6%	1%	1%	1%	1%	2%	1%	100%
Bus. est. % AA bus. est.	6%	69%	6%	3%	4%	1%	2%	4%	1%	1%	1%	0%	1%	0%	100%
Branches % all branches	22%	12%	13%	12%	11%	6%	10%	5%	2%	2%	2%	1%	1%	0%	100%
Branches in LMI tracts	14	3	8	6	5	5	1	2	1	2	0	0	0	0	47
LMI branches % AA LMI branches	30%	6%	17%	13%		11%									100%
Deposits % AA deposits	45%	15%	11%	9%	6%	3%	3%	3%	3%	1%	0%	0%	0%	0%	100%
Deposit Market Share (%)/ Rank in Market	29/2	.44/22	15/3	21/1	11/3	25/2	12/2	3/8	21/1	12/2	5/9	6/6	2/11	1/8	
HP originations % AA orig.	25%	10%	19%	10%	7%	4%	6%	11%	2%	1%	2%	1%	2%	0%	100%
Refi orig. % AA orig.	24%	18%	12%	9%	9%	3%	7%	8%	3%	1%	2%	1%	2%	0%	100%
Home Improvement orig. % AA orig.	25%	9%	13%	11%	6%	7%	12%	10%	2%	1%	3%	1%	1%	1%	100%
SB orig. % AA orig.	27%	13%	20%	12%	8%	3%	4%	5%	3%	1%	2%	0%	1%	0%	100%
% of AA Orig.	26%	13%	18%	11%	8%	4%	6%	8%	2%	1%	2%	1%	2%	0%	100%

Branch numbers are as of 12/31/2005. Branch deposits and deposit market share are from the FDIC as of 6/30/05. Originations are loans reported under HMDA or CRA small business reporting for 2004 and 2005. Demographic information was obtained from the 2000 Census. Business establishments information was reported by D&B for 2004.

### **Lending Activity:**

M&T's lending activity showed good 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 and purchased in each assessment area. This conclusion is based on good lending activity in all full scope assessment areas.

### **Geographic Distribution:**

The geographic distribution of HMDA-related and small business loans reflected excellent penetration in LMI geographies. This conclusion is based on excellent performance in all the full-scope areas except MSA 35620 (New York-Northern New Jersey-Long Island, NY-NJ-PA) and MSA 45060 (Syracuse, NY) where the geographic distribution of loans was good.

### **Borrower Distribution:**

The borrower distribution of HMDA-related and small business loans was good. This conclusion is based on good performance in all of the full scope areas.

### **Community Development Loans:**

M&T's community development lending performance was excellent, based on excellent performance in MSA 15380 (Buffalo, NY), MSA 35620 (New York-Northern New Jersey-Long Island, NY-NJ-PA), MSA 40380 (Rochester, NY), MSA 39100 (Poughkeepsie, NY), and good performance in MSA 45060 (Syracuse, NY) and MSA 10580 (Albany, NY). During the examination period, community development loan commitments totaled \$610 million, with 80% involving new commitments since the prior CRA examination. This includes \$72 million in letters of credit.

Community development lending was spread across New York State. Forty-five percent of community development lending activity was in MSA 35620 (New York-Northern New Jersey-Long Island, NY-NJ-PA), 17% in MSA 40380 (Rochester, NY), and 8% in MSA 15380 (Buffalo, NY) with the balance spread across the remaining upstate New York MSAs.

Lending primarily targeted affordable housing, with 41% of statewide activity, and economic development, with 32% of statewide activity. Affordable housing loans financed, constructed or rehabilitated over 7,210 housing units.

### **INVESTMENT TEST**

In the New York assessment area, M&T had an outstanding level of qualified community development investments that exhibited excellent responsiveness to credit and community development needs. Qualified investments totaled \$96 million, or 40% of the bank's total. This included statewide investments of \$22 million.

Approximately \$22 million of the qualified investments were invested in LIHTCs which are considered complex because of their intricate accounting requirements. Most of these investments were made in MSA 35620 (New York-Northern New Jersey-Long Island, NY-NJ-PA) where activity totaled \$14.2 million, or 15% of total New York assessment area investments. Activity was also extensive in MSA 40380 (Rochester, NY) with \$13.6 million of investments.

### **SERVICE TEST**

M&T's performance under the service test in the New York State assessment areas was outstanding. This conclusion was based on excellent performance in most of the upstate MSAs subject to a full-scope review (Buffalo, Rochester, Syracuse, and Poughkeepsie), while performance in downstate MSA 35620 upstate MSA 10580 (Albany) was good.

# METROPOLITAN AREA

(FULL REVIEW)

MSA 15380 (BUFFALO-NIAGARA FALLS, NY)

## DESCRIPTION OF INSTITUTION'S OPERATIONS

This MSA contains the largest proportion of M&T's loans and deposits in New York and includes the city of Buffalo, where the bank has its headquarters. As shown in Exhibit 4 on page BB16, M&T operated 53 branches in the MSA, which comprised 22% of the bank's branches in New York State as of December 31, 2005. Twenty six percent of the HMDA-related and small business loans the bank extended in the state were originated in this MSA.

As of June 30, 2005, 45% of M&T's deposits in New York State were held in this MSA. With a deposit market share of approximately 29%, M&T was the second largest depository institution, behind HSBC Bank USA National Association, which had 31% of deposits. Other lead banks in terms of deposit market share were Key Bank National Association, Bank of America NA and Citizens Bank NA.

## PERFORMANCE CONTEXT

### Demographic Characteristics

M&T's assessment area in MSA 15380 (Buffalo-Niagara Falls, NY) includes Erie and Niagara Counties. According to the 2000 Census, the MSA population declined 2% from the 1990 Census, to 1.2 million, and the population of the city of Buffalo fell 11%.

Sixteen percent of the MSA population is age 65 and older. Generally, aging populations limits opportunities for home purchase and refinance lending because older persons tend to own their own homes or live in senior citizen housing with limited mortgage financing needs.

### Income Characteristics

The table at right lists HUD median family income estimates during the examination period. According to the 2000 Census, incomes are lower and the poverty level is higher in city of Buffalo than in the rest of the MSA. HUD does not report annual income for the City.

HUD MEDIAN FAMILY INCOMES		
AREA	2004	2005
MSA 15380	\$56,300	\$56,950

2000 CENSUS		
AREA	Median Family Income	% of Families < Poverty Level
MSA 15380	\$49,149	9%
City of Buffalo	\$30,614	23%

Housing Characteristics

Housing costs in relation to family incomes may limit opportunities for home purchase. In particular, it may be difficult for residents of the city Buffalo to purchase homes without assistance because of lower income levels, with nearly one-quarter of families below the poverty level.

<b>MEDIAN HOME SALES PRICES</b>		
<b>Area</b>	<b>2004</b>	<b>2005*</b>
MSA 15380	\$95,000	\$98,900

Source: National Association of Realtors. \*Preliminary

According to the 2000 Census, the number of owner-occupied housing units in the MSA increased 4% from 1990 as the number of such units in the city of Buffalo dropped 10%. The 2000 Census also reported that 61% of the MSA’s housing units are owner-occupied and 8% are vacant. In Buffalo, 44% of units are owner-occupied and 16% of housing units are vacant. These factors limit the demand for mortgage loans in the city of Buffalo.

Housing prices are very low in the city of Buffalo, especially on the east side. Rehabilitation and community development activities are needed because of a high rate vacancy rate and large numbers of boarded-up units. Housing units outnumber households by more than 22 thousand in the city. In addition, according to community contacts, although many homes are old and in poor condition the city government is slow to demolish condemned housing because of budget problems.

A community contact noted that LMI housing needs have increased while funding for these needs has decreased. The contact also stated there is a need for new multifamily housing with much of the existing multifamily housing substandard due to age and neglect. Also, much of the multifamily housing that was previously affordable is no longer affordable.

Labor, Employment and Economic Characteristics

As shown in the chart at right, jobless rates decreased slightly during the examination period, following moderate job losses that were sustained in 2003. Unemployment rates remain higher for the city of Buffalo than for the MSA.

<b>AVERAGE ANNUAL UNEMPLOYMENT RATES</b>		
<b>Area</b>	<b>2004</b>	<b>2005</b>
MSA 15380	5.8%	5.3%
City of Buffalo	7.3%	6.6%

According to a community contact, economic development is needed in the area to counteract the effects of manufacturing and other industrial job losses. The long term trend for the upstate New York economy is less than favorable. Over the past 30 years population growth has been stagnant due to movement of jobs and people out of the region. Specifically, the loss of young, working age adults is producing an older demographic. The resulting limited labor force combined with a greater share of the population puts a strain on the region’s economy.

Detailed performance context data for this assessment area is provided in the Combined Demographics report on the next page.

## Combined Demographics Report

Assessment Area: MSA 15380

Analysis Year: 2005

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	32	10.6	24,201	8.0	8,863	36.6	61,613	20.3
Moderate-income	63	20.9	46,874	15.5	9,081	19.4	54,706	18.0
Middle-income	137	45.4	147,553	48.7	7,479	5.1	66,885	22.1
Upper-income	59	19.5	84,587	27.9	1,939	2.3	120,011	39.6
Unknown-income	11	3.6	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>302</b>	<b>100.0</b>	<b>303,215</b>	<b>100.0</b>	<b>27,362</b>	<b>9.0</b>	<b>303,215</b>	<b>100.0</b>
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	#	%	#	%	
Low-income	55,838	13,469	4.3	24.1	29,829	53.4	12,540	22.5
Moderate-income	93,467	40,856	13.2	43.7	40,189	43.0	12,422	13.3
Middle-income	239,892	160,895	51.9	67.1	65,662	27.4	13,335	5.6
Upper-income	122,213	94,949	30.6	77.7	22,749	18.6	4,515	3.7
Unknown-income	173	5	0.0	2.9	116	67.1	52	30.1
<b>Total Assessment Area</b>	<b>511,583</b>	<b>310,174</b>	<b>100.0</b>	<b>60.6</b>	<b>158,545</b>	<b>31.0</b>	<b>42,864</b>	<b>8.4</b>
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	3,463	8.9	2,778	8.5	492	11.6	193	10.7
Moderate-income	4,982	12.8	4,154	12.6	616	14.5	212	11.8
Middle-income	17,778	45.7	14,963	45.6	1,950	45.9	865	48.1
Upper-income	11,979	30.8	10,456	31.8	1,050	24.7	473	26.3
Unknown-income	688	1.8	496	1.5	136	3.2	56	3.1
<b>Total Assessment Area</b>	<b>38,890</b>	<b>100.0</b>	<b>32,847</b>	<b>100.0</b>	<b>4,244</b>	<b>100.0</b>	<b>1,799</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>			<b>84.5</b>		<b>10.9</b>		<b>4.6</b>	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low-income	1	0.2	1	0.2	0	0.0	0	0.0
Moderate-income	9	1.7	8	1.6	1	4.5	0	0.0
Middle-income	392	72.7	373	72.7	16	72.7	3	75.0
Upper-income	136	25.2	130	25.3	5	22.7	1	25.0
Unknown-income	1	0.2	1	0.2	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>539</b>	<b>100.0</b>	<b>513</b>	<b>100.0</b>	<b>22</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>			<b>95.2</b>		<b>4.1</b>		<b>0.7</b>	

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 15380 (BUFFALO-NIAGARA FALLS, NY)

### LENDING TEST

M&T's performance under the lending test was good.

#### Lending Activity:

M & T's lending activity in MSA 15380 was good based on market share activity and comparison to peer banks. M & T ranks second in deposit market share, with 29% of insured deposits, compared to a ranking of second in home purchase lending (8% market share), first in refinance lending (11% market share) and fourth in small business lending (8% market share). Comparisons based on the number of loans per billion dollars of deposits indicate that the bank's performance is consistent with the lending volume of similarly situated banks.

#### Geographic Distribution:

The geographic distribution of lending was excellent based on overall good distribution in low-income census tracts and excellent distribution in moderate-income census tracts. The distribution of home purchase lending across geographies of different income levels reflected excellent penetration in LMI geographies while the distribution of refinance and small business loans was good. The following table summarizes lending performance in LMI census tracts.

MSA 15380 (BUFFALO-NIAGARA FALLS, NY)				
Product	Low-income Tracts		Moderate-income Tracts	
	M & T Performance	2004 Aggregate Comparison	M & T Performance	2004 Aggregate Comparison
Home Purchase	Adequate	Similar	Excellent	Slightly above
Refinance	Adequate	Slightly above	Good	Similar
Small Business	Good	Similar	Excellent	Slightly above

#### 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. This conclusion considered performance context issues such as limited opportunities for small business lending.

HMDA-related lending to low-income borrowers was adequate and excellent to moderate-income borrowers. The following table summarizes performance related to lending to LMI borrowers.

<b>MSA 15380 (BUFFALO-NIAGARA FALLS, NY)</b>				
<b>Product</b>	<b>Low-income Borrowers</b>		<b>Moderate-income Borrowers</b>	
	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>
Home Purchase	Adequate	Slightly Above	Excellent	Above
Refinance	Adequate	Above	Excellent	Similar

The distribution of loans to businesses of different sizes was adequate when considering the proportion of loans to borrowers with GAR of \$1 million or less and the proportion of loans in amounts of \$100 thousand or less. Lending to businesses with GAR of \$1 million or less was above the aggregate and lending in amounts of \$100 thousand or less was below the aggregate.

**Community Development Lending:**

M&T’s level of community development lending activity was excellent, with 38 loans totaling nearly \$51 million, or 8% of New York State community development lending. This conclusion was supported by a comparison to similarly situated large retail banks in the assessment area. Performance however, was weaker than the previous examination when community development lending totaled \$85 million.

Community development lending was responsive to identified community needs as it targeted economic development activities which included job retention and creation, revitalization of distressed neighborhoods and community service activities to low- and moderate-income individuals.

Examples of community development initiatives included:

- A \$10 million revolving credit facility to a wholesale food processor to fund on-going operations and to provide for job retention and creation. The processing facility is located in a moderate-income census tract within an Empire Development Zone. The majority of its employees are of low- or moderate-income.
- A \$200,000 line of credit to a charter elementary school for predominately LMI students. The school is located in a low-income area in Buffalo. Eighty-four percent of the students are eligible for the free lunch program from the State of New York.

**INVESTMENT TEST**

M&T’s investment test performance was good. Qualified investments totaled \$9.2 million or 10% of state activity. The bank’s qualified investment activity exhibited good responsiveness to assessment area credit needs as

<b>INVESTMENT PURPOSE</b>	<b>#</b>	<b>\$(‘000S)</b>
Affordable Housing	29	6,383
Community Services	144	2,584
Economic Development	7	101
Revitalize & Stabilize	5	88
<b>Total</b>	<b>185</b>	<b>9,156</b>

detailed in the table above.

Examples of qualified investments included:

- A \$2.6 million investment in a LIHTC to rehabilitate and construct 24 affordable housing units in the Buffalo metropolitan area;
- Approximately \$1.4 million in grants and in-kind contributions to a community Charter School that serves primarily LMI students for after school enrichment program, technology and equipment, and educational activities. M&T's employees provide mentoring, project management, facilities management, technology, consulting and financial planning services;
- A \$50 thousand equity investment that provides financing for affordable housing;
- A \$100 thousand deposit to a local credit union that provides low-cost financial services to low- and moderate-income families;
- A \$3.7 million investment for the purchase of a county industrial agency bond for construction of a diagnostic and treatment center in a Buffalo LMI neighborhood; and
- Multiple grants totaling \$320 thousand to United Way of Buffalo for programs towards meeting basic needs such as shelter, food, literacy, employment and services for the disabled.

## **SERVICE TEST**

Performance under the service test was excellent based on M&T's excellent branch distribution and its leadership in providing community development services in the MSA 15380 (Buffalo-Niagara Falls, NY) assessment area.

**Retail Services:** The bank's delivery systems were readily accessible to all portions of the bank's assessment area, including LMI areas. Overall, M&T has 53 branches in the Buffalo-Niagara Falls MSA, of which 14, or 26%, are located in LMI areas. This compares favorably with the portion of the MSA population residing in LMI areas.

Changes in branch locations did not adversely impact the accessibility of the bank's delivery systems. No branches were opened or closed in this assessment area during the evaluation period.

Alternative delivery systems slightly enhanced the bank's performance in the assessment area. M&T had 67 off-site ATM locations in the MSA; four of the ATMs, or 6%, were located in LMI areas.

The bank's hours and services were tailored to the needs and convenience of the assessment area, including LMI areas. Of the 53 branches in the MSA, 38 had either early morning or late evening hours, nine had Saturday hours and one had Sunday hours.

Community Development Services	
Type	#
Mortgage Education Seminars	494
Financial Literacy Seminars	13
Technical Assistance (eg. Advisory Board)	138

**Community Development Services:** The bank was a leader in providing community development services in the Buffalo MSA. The table at left shows number and type of services provided during the evaluation period.

# METROPOLITAN AREA

(FULL REVIEW)

MSA 35620

(NEW YORK-NORTHERN NEW JERSEY-LONG ISLAND, NY-NJ-PA)

## DESCRIPTION OF INSTITUTION'S OPERATIONS

As of December 31, 2005, M&T operated 29 branches, or 12% of its New York State branches in the metropolitan area. As of June 30, 2005, 15% of the bank's New York State deposits were in the MSA. The area is a highly competitive market, and some of the largest financial institutions in the United States have their headquarters here. With a deposit market share of less than 1/2%, M&T ranks 22nd in deposit market share in this MSA assessment area. For additional details, see Exhibit 4 on page BB16.

## PERFORMANCE CONTEXT

### *Demographic Characteristics*

M&T's assessment area in MSA 35620 (New York-Northern New Jersey-Long Island, NY-NJ-PA) is located entirely within New York State and includes the New York State portions of MD 35644 (New York, White Plains, Wayne NY-NJ), and MD 35004 (Nassau-Suffolk, NY). According to the 2000 Census, the population of the assessment area slightly exceeds 11.5 million, with over 74% located in MD 35644 (New York, White Plains, Wayne NY-NJ).

A significant proportion of the assessment area population was born outside of the U.S. The 2000 Census shows that approximately 30% of the New York metropolitan area population was foreign-born, using the metropolitan area definitions applicable at that time; 42% of the foreign-born population had immigrated during the 1990s.

Recent immigrants may have limited or no credit histories, different beliefs about borrowing, and language barriers. The combination of these factors and the possible need for financial literacy education may hinder the bank from fully meeting the credit needs of the community.

Approximately 38% of the MSA assessment area population resides in LMI geographies, and the LMI geographies are concentrated in New York City, especially in the Bronx. More than a third of the geographies in the assessment area are LMI.

### *Income Characteristics*

According to HUD, the MSA's 2005 median family income was \$68,750, and 16% of MSA families subsist below the poverty level. There is a wide disparity in income levels across the MSA. For example, in Putnam County the Median Family Income (MFI) is \$82,197 with only 2.7% of families living below the poverty level. In contrast, the MFI in Bronx County is just \$30,682 and 28% of families live below the poverty level. Low income and high poverty in New York City, particularly outside of Manhattan, make it difficult for families to afford homes,

indicating the need for economic development.

Housing Characteristics

Unlike the upstate portions of M&T’s assessment areas, only 41% of the MSA assessment area’s housing units are owner-occupied, according to the 2000 Census. Only 29% of the homes in LMI geographies are owner-occupied, making rentals the largest segment of the housing market. HMDA-related lending opportunities are therefore limited in this assessment area.

During the examination period, housing prices increased significantly. According to the National Association of Realtors, the median sales price for existing single-family homes in the New York-Northern New Jersey-Long Island MSA in 2005 was \$446,500, up from \$385,900 a year earlier. Higher values are found in the suburban areas of the assessment area and in Manhattan (New York County).

Most families throughout the assessment area, particularly LMI families, cannot afford to own a home because of the sharp disparity between incomes and housing costs. This indicates the need to provide affordable mortgage programs and develop affordable rental properties for LMI residents. Information received from community contacts also identified the need for affordable housing in this MSA.

Labor, Employment and Economic Characteristics

During the examination period, the New York City economy continued to recover from the recent recession, which had been exacerbated by the terrorist attacks on 9/11. Many lower Manhattan businesses, particularly those in the securities industry, moved to Westchester County, Long Island, New Jersey, and Connecticut.

As summarized in the chart at right, overall unemployment rates decreased during the examination period. Unemployment levels varied across the bank’s assessment area, with higher unemployment rates in the New York City area and lower rates in the suburbs. Rates in the northern suburbs of Putnam, Rockland and Westchester counties rose during the review period; however they were still lower than New York City rates.

ANNUAL UNEMPLOYMENT RATES		
Area	2004	2005
MSA 35620*	5.7%	4.9%
Nassau-Suffolk**	4.6%	4.1%
New York City (5 Counties)**	7.0%	5.8%
Putnam-Rockland-Westchester**	4.0%	4.4%

Source: \*U.S. Department of Labor \*\*NYS Department of Labor

Detailed performance context data for this assessment area is provided in the Combined Demographics report on the next page.

### Combined Demographics Report

Assessment Area: MSA 35620

Analysis Year: 2005

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	333	11.1	318,975	11.4	130,524	40.9	724,990	25.9
Moderate-income	709	23.6	699,129	25.0	148,701	21.3	463,879	16.6
Middle-income	1,057	35.2	1,010,293	36.1	77,196	7.6	517,532	18.5
Upper-income	827	27.5	773,462	27.6	27,280	3.5	1,095,458	39.1
Unknown-income	76	2.5	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>3,002</b>	<b>100.0</b>	<b>2,801,859</b>	<b>100.0</b>	<b>383,701</b>	<b>13.7</b>	<b>2,801,859</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>			<b>Rental</b>		<b>Vacant</b>	
		#	%	%	#	%	#	%
Low-income	483,053	32,308	1.8	6.7	419,808	86.9	30,937	6.4
Moderate-income	1,100,435	249,297	13.5	22.7	780,634	70.9	70,504	6.4
Middle-income	1,529,385	807,222	43.8	52.8	642,275	42.0	79,888	5.2
Upper-income	1,383,818	753,307	40.9	54.4	559,569	40.4	70,942	5.1
Unknown-income	150	5	0.0	3.3	28	18.7	117	78.0
<b>Total Assessment Area</b>	<b>4,496,841</b>	<b>1,842,139</b>	<b>100.0</b>	<b>41.0</b>	<b>2,402,314</b>	<b>53.4</b>	<b>252,388</b>	<b>5.6</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>			<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>	
		#	%	#	%	#	%	#
Low-income	23,994	5.4	20,282	5.4	2,111	4.0	1,601	8.1
Moderate-income	76,018	17.0	64,386	17.2	7,374	14.0	4,258	21.5
Middle-income	145,331	32.6	124,250	33.2	14,870	28.3	6,211	31.4
Upper-income	196,674	44.1	162,001	43.3	27,090	51.6	7,583	38.3
Unknown-income	4,323	1.0	3,079	0.8	1,089	2.1	155	0.8
<b>Total Assessment Area</b>	<b>446,340</b>	<b>100.0</b>	<b>373,998</b>	<b>100.0</b>	<b>52,534</b>	<b>100.0</b>	<b>19,808</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>83.8</b>		<b>11.8</b>		<b>4.4</b>
	<b>Total Farms by Tract</b>	<b>Farms by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>			<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>	
		#	%	#	%	#	%	#
Low-income	20	2.2	18	2.1	2	4.1	0	0.0
Moderate-income	149	16.6	141	16.7	8	16.3	0	0.0
Middle-income	364	40.4	346	41.0	14	28.6	4	50.0
Upper-income	365	40.6	337	40.0	24	49.0	4	50.0
Unknown-income	2	0.2	1	0.1	1	2.0	0	0.0
<b>Total Assessment Area</b>	<b>900</b>	<b>100.0</b>	<b>843</b>	<b>100.0</b>	<b>49</b>	<b>100.0</b>	<b>8</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>				<b>93.7</b>		<b>5.4</b>		<b>0.9</b>

**CONCLUSIONS WITH RESPECT TO PERFORMANCE IN MSA 35620 (NEW YORK-NORTHERN NEW JERSEY-LONG ISLAND, NY-NJ-PA)**

**LENDING TEST**

M&T’s performance with respect to the lending test in this MSA was good.

**Lending Activity:**

M & T’s lending activity performance was good. The bank ranked 22nd in deposit market share compared to a market share ranking of 43rd in home purchase lending, 55th in refinance lending and 19th in small business lending. The bank’s market share was less than 1% in all categories. M&T’s 2004 performance compared favorably to the lending activity volume of similarly situated banks based on the number of loans per billion dollars of deposits.

**Geographic Distribution:**

The geographic distribution of lending for this assessment area was good based on overall good distribution in LMI census tracts. The distribution of home purchase and refinance loans was excellent while the distribution of small business loans in LMI tracts was adequate. The following table summarizes performance related to lending in LMI census tracts.

<b>MSA 35620 (NEW YORK-NORTHERN NEW JERSEY-LONG ISLAND, NY-NJ-PA)</b>				
<b>Product</b>	<b>Low-income Tracts</b>		<b>Moderate-income Tracts</b>	
	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>
Home Purchase	Excellent	Significantly above	Excellent	Similar
Refinance	Excellent	Similar	Excellent	Similar
Small Business	Adequate	Slightly below	Adequate	Below

**Distribution by Borrower Income and Revenue Size of the Business:**

Performance in this assessment area was good based on adequate levels of lending to low-income borrowers and businesses of different sizes and an excellent level of lending to moderate-income borrowers.

The chart below summarizes the bank’s performance by product and borrower income level in extending HMDA-related loans. The analysis of lending to low-income borrowers considered affordability issues noted in the Performance Context section, which was supported by aggregate lending patterns.

<b>MSA 35620 (NEW YORK-NORTHERN NEW JERSEY-LONG ISLAND, NY-NJ-PA)</b>				
<b>Product</b>	<b>Low-income Borrowers</b>		<b>Moderate-income Borrowers</b>	
	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>
Home Purchase	Adequate	Significantly Above	Excellent	Significantly Above
Refinance	Adequate	Significantly Above	Excellent	Significantly Above

The distribution of loans to businesses of different sizes was adequate when considering the proportion of loans to borrowers with GAR of \$1 million or less as well as the proportion of loans extended in the amount of \$100 thousand or less. Lending to businesses with GAR of \$1 million or less was slightly above the aggregate and lending in amounts of \$100 thousand or less was below the aggregate.

**Community Development Lending:**

M&T’s community development lending performance in MSA 35620 was excellent with 45% of the bank’s statewide community development lending, totaling \$276 million. Most lending was in MD 35644 (New York-White Plains-Wayne, NY-NJ) where community development loans totaled \$237 million or 86% of total MSA activity. Performance was stronger than the last examination where community development lending totaled \$158 million.

M&T was a leader within the MSA in community development lending. The bank ranked first out of six peer banks on an annualized basis comparing community development lending and deposits within MSA 35620.

Performance within the MSA was largely directed to affordable housing initiatives which community contacts identified as a critical need in the assessment area. Affordable housing represented 61% of community development lending activity within the MSA and provided for over 2,100 units of affordable housing.

Examples of community development initiatives included:

- A \$6 million construction loan and \$17 million permanent mortgage for the purpose of acquiring a 131 thousand square foot industrial building in Brooklyn, NY. The building will be converted into 203 studio apartments and leased to a not-for-profit operator of shelter services for homeless families.
- A \$2 million loan facility to renovate a 50 unit building in Harlem. The property is located in a moderate-income census tract and rents are affordable to low- and moderate-income individuals.

- A \$3 million working capital line of credit to a developer of low-income housing tax credit projects primarily in the Bronx. The line will provide temporary funding for construction of affordable multifamily properties until proceeds of the tax credit financing are received.

### INVESTMENT TEST

M&T's investment performance in MSA 35620 was excellent, totaling \$14.2 million or 15% of statewide activity. The bank's qualified investment activity exhibited excellent responsiveness to assessment area credit needs, as detailed in table to the right.

INVESTMENT PURPOSE	#	\$(‘000S)
Affordable Housing	46	13,223
Community Services	41	916
Economic Development	7	26
Revitalize & Stabilize	2	10
<b>Total</b>	<b>96</b>	<b>14,175</b>

Examples of qualified investment activity included:

- Various mortgage backed securities totaling \$9.7 million to promote homeownership to low and moderate income individuals;
- Multiple LIHTCs totaling \$2.9 million to support affordable housing;
- Multiple deposits totaling \$400 thousand to credit unions that provide low-cost financial services to LMI individuals;
- Multiple grants totaling \$708 thousand to an organization that supports affordable housing in the New York City Metropolitan area, and
- Other grants totaling \$463 thousand to organizations that support economic development, affordable housing and community development services to LMI families.

### SERVICE TEST

Performance under the service test was good, primarily because of M&T's high level of community development services and adequate branch distribution in MSA 35620.

**Retail Services:** The bank's delivery systems were reasonably accessible to the bank's assessment area, including LMI areas. M&T has 29 branches in the MSA of which three, or 10%, are located in LMI areas. In comparison, 38% of the MSA population resides in LMI areas.

Changes in branch locations did not adversely affect the accessibility of the bank's delivery systems. During the evaluation period, M&T opened two new branches in this assessment area.

One branch was opened in a moderate-income census tract and one in an upper-income census tract. M&T also closed one branch located in a moderate-income census tract.

The bank's hours and services do not vary in a way that inconveniences the assessment area, including LMI areas. Of the 29 branches in the MSA, 11 have either early morning or late evening hours and 14 have Saturday hours. Alternative delivery systems slightly enhanced the bank's performance in the assessment area. M&T had three off-site ATM locations in the assessment area; one ATM, or 33%, was located in an LMI area.

Community Development Services	
Type	#
Mortgage Education Seminars	45
Financial Literacy Seminars	1
Small Business Seminars	6
Technical Assistance (Board, committee etc.)	16

**Community Development Services:** The bank provided a relatively high level of community development services in the MSA. The table at left shows services the bank provided during the evaluation period. The majority of the seminars covered mortgage education topics for LMI borrowers and first time homebuyers.

# METROPOLITAN AREA

(FULL REVIEW)

MSA 40380 (ROCHESTER, NY)

## DESCRIPTION OF INSTITUTION'S OPERATIONS

As of December 31, 2005, M&T's 32 branches in this MSA represented 13% of the bank's branch network in New York State. The Rochester MSA branches generated 11% of the bank's New York State deposits as of June 30, 2005. With respect to deposits, M&T has a 14.9% market share and is ranked third in the area.

## PERFORMANCE CONTEXT

### Demographic Characteristics

M&T's assessment area consists of Livingston, Monroe, Ontario, Orleans and Wayne Counties. The MSA population reached 1.0 million as of December 31, 2005 according to the 2000 Census. About 12% of the MSA population is over 65. This reduces lending opportunities, as many senior citizens own homes and generally have reduced financing needs.

Community contacts indicated that while the MSA's population has increased, the population of the city of Rochester continues to decline. This represents a long term pattern of the population moving from the city to the suburbs.

### Income Characteristics

The Rochester MSA has a high median family income relative to the other full scope assessment areas in upstate New York. The HUD median family income for MSA 40380 in 2004 and 2005 was \$53,852 and \$62,600. Most of the LMI census tracts are located in Monroe County, primarily in the city of Rochester. As shown in the table at right, the 2000 Census found that the city of Rochester has lower incomes and higher poverty levels than the MSA as a whole.

2000 CENSUS INCOMES		
AREA	Median Family Income	% of Families < Poverty Level
MSA 40380	\$53,609	7.4%
City of Rochester	\$31,257	23.4%

### Housing Characteristics

The cost of housing relative to family incomes, particularly in the city of Rochester, limits opportunities for conventional mortgage financing and indicates a need for affordable housing

MEDIAN HOME SALES PRICES		
Area	2004	2005
MSA 40380	\$184,100	\$213,000

with subsidized and flexible mortgage programs. The table above indicates the median housing costs in the MSA as reported by the National Association of Realtors.

Most of the housing stock in Rochester was built in the 1950s, and in LMI tracts it dates to the 1940s. A community contact noted that funding is needed to rehabilitate vacant properties, many of which remain unoccupied for long periods and become blight on neighborhoods. These conditions indicate reduced HMDA-related lending opportunities and a need for community development and home improvement lending to rehabilitate or replace vacant properties.

Labor, Employment and Economic Characteristics

ANNUAL AVERAGE UNEMPLOYMENT RATES		
Area	2004	2005
MSA 40380	5.3%	4.7%
City of Rochester	7.0%	6.1%

Historically, manufacturing has been a major component of the Rochester economy but declined steadily between the 1990 and 2000 Census. Downsizing at Eastman Kodak, Xerox and Bausch & Lomb accounts for most of the job losses. The companies have

been the primary drivers of the Rochester economy, and their cutbacks have resulted in a shift to smaller service companies. As shown in the table above and reported by the New York State Department of Labor, unemployment in the Rochester MSA is concentrated in the city of Rochester.

Detailed performance context data for this assessment area is provided in the Combined Demographics Report on the next page.

### Combined Demographics Report

Assessment Area: MSA 40380

Analysis Year: 2005

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	38	15.0	20,069	7.6	7,477	37.3	51,537	19.5
Moderate-income	45	17.8	34,397	13.0	4,872	14.2	47,655	18.1
Middle-income	109	43.1	130,049	49.3	5,980	4.6	60,068	22.8
Upper-income	56	22.1	79,291	30.1	1,444	1.8	104,546	39.6
Unknown-income	5	2.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>253</b>	<b>100.0</b>	<b>263,806</b>	<b>100.0</b>	<b>19,773</b>	<b>7.5</b>	<b>263,806</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>			<b>Rental</b>		<b>Vacant</b>	
		#	%	%	#	%	#	%
Low-income	40,415	9,540	3.5	23.6	24,489	60.6	6,386	15.8
Moderate-income	67,490	31,744	11.8	47.0	29,392	43.6	6,354	9.4
Middle-income	206,838	140,252	52.0	67.8	53,194	25.7	13,392	6.5
Upper-income	112,428	88,362	32.7	78.6	20,329	18.1	3,737	3.3
Unknown-income	1	0	0.0	0.0	1	100.0	0	0.0
<b>Total Assessment Area</b>	<b>427,172</b>	<b>269,898</b>	<b>100.0</b>	<b>63.2</b>	<b>127,405</b>	<b>29.8</b>	<b>29,869</b>	<b>7.0</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>			<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>	
		#	%	#	%	#	%	#
Low-income	3,481	9.6	2,823	9.1	487	13.5	171	10.9
Moderate-income	5,460	15.0	4,574	14.7	643	17.8	243	15.4
Middle-income	16,413	45.1	14,092	45.2	1,562	43.2	759	48.2
Upper-income	10,995	30.2	9,683	31.0	914	25.3	398	25.3
Unknown-income	31	0.1	17	0.1	9	0.2	5	0.3
<b>Total Assessment Area</b>	<b>36,380</b>	<b>100.0</b>	<b>31,189</b>	<b>100.0</b>	<b>3,615</b>	<b>100.0</b>	<b>1,576</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>85.7</b>		<b>9.9</b>		<b>4.3</b>
	<b>Total Farms by Tract</b>	<b>Farms by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>			<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>	
		#	%	#	%	#	%	#
Low-income	2	0.2	2	0.2	0	0.0	0	0.0
Moderate-income	71	6.3	69	6.4	2	4.1	0	0.0
Middle-income	872	77.2	823	76.6	45	91.8	4	66.7
Upper-income	184	16.3	180	16.8	2	4.1	2	33.3
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>1,129</b>	<b>100.0</b>	<b>1,074</b>	<b>100.0</b>	<b>49</b>	<b>100.0</b>	<b>6</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>				<b>95.1</b>		<b>4.3</b>		<b>0.5</b>

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 40380 (ROCHESTER, NY)**

**LENDING TEST**

M&T's overall performance under the lending test in the Rochester assessment area was good.

**Lending Activity:**

The bank's responsiveness to retail credit needs was good. M&T ranked third in deposit market share, with 15% of the market, compared to ranking second in home purchase lending (6% market share), 11<sup>th</sup> in refinance lending (2% market share), and sixth (6% market share) in small business lending. In small business lending, credit card lenders have stronger market shares. Comparing lending per billion dollars of deposits within the assessment area, the bank's performance is consistent with the lending volume of similarly situated financial institutions.

**Geographic Distribution:** Geographic distribution for this assessment area was excellent based on an overall good distribution of lending in low-income census tracts and excellent distribution of lending in moderate-income census tracts.

The overall geographic distribution of home purchase loans across geographies of different income levels reflected excellent penetration in LMI geographies and the overall distribution of refinance and small business loans reflected good penetration in LMI geographies. These conclusions take into account performance context issues, including lending opportunities evidenced by the number of owner-occupied units and performance of the aggregate. The following table summarizes M&T's performance related to lending in LMI census tracts.

<b>MSA 40380 (ROCHESTER, NY)</b>				
<b>Product</b>	<b>Low-income Tracts</b>		<b>Moderate-income Tracts</b>	
	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>
Home Purchase	Good	Similar	Excellent	Slightly above
Refinance	Good	Similar	Excellent	Slightly above
Small Business	Excellent	Above	Good	Slightly above

**Distribution by Borrower Income and Revenue Size of the Business:**

Lending performance in this assessment area was good based on good level of lending to low-income borrowers, excellent level of lending to moderate-income borrowers and adequate lending performance to small businesses.

HMDA-related lending performance is summarized in the table below:

<b>MSA 40380 (ROCHESTER, NY)</b>				
<b>Product</b>	<b>Low-income Borrowers</b>		<b>Moderate-income Borrowers</b>	
	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>
Home Purchase	Excellent	Above	Excellent	Above
Refinance	Adequate	Similar	Excellent	Similar

The distribution of loans to businesses of different sizes was adequate when considering the proportion of loans to borrowers with GAR of \$1 million or less. Lending to businesses with GAR of \$1 million or less was slightly above the aggregate.

**Community Development Lending:**

M&T’s community development lending activity in MSA 40380 (Rochester, NY) was excellent with 28 loan originations totaling close to \$106 million or 17% of the bank’s New York State community development activity.

Performance within the Rochester MSA was directed at economic development initiatives, which represented 63% of community development lending activity within the MSA.

M&T was a leader within the MSA in community development lending. The bank ranked first out of five peer banks on an annualized basis when comparing community development lending to deposits within MSA 40380. Performance was stronger than the last examination when community development lending totaled \$45 million.

Examples of community development initiatives included:

- A \$7.5 million revolving credit line for construction of a 300 thousand square foot manufacturing facility and headquarters. The property is located in an Empire Development Zone and brown field site in the city of Rochester. The facility will create 70 new jobs and retain 75 jobs within the city of Rochester.
- A \$10.3 million construction loan in a low-income area of Rochester to develop mixed use retail, office, and residential property with 23 condominium units. The development is part of a plan to revitalize and stabilize the downtown area of Rochester.

**INVESTMENT TEST**

M&T’s investment performance in MSA 40380 was excellent, totaling \$13.6 million, or 14% of statewide activity. The bank’s qualified investment activity exhibited excellent responsiveness to assessment area credit needs, as detailed in the table below.

INVESTMENT PURPOSE	#	\$('000S)
Affordable Housing	11	13,177
Community Services	30	390
Economic Development	1	1
Revitalize & Stabilize	3	6
<b>Total</b>	<b>45</b>	<b>13,574</b>

Examples of qualified investment activity included:

- Multiple LIHTCs totaling \$13 million to support affordable housing; and
- Multiple grants and charitable contributions totaling \$488 thousand to organizations that support economic development, affordable housing and community development services to low- and moderate- income individuals.

### SERVICE TEST

Performance under the service test was outstanding based on M&T's excellent branch distribution and its leadership in providing community development services within the assessment area.

**Retail Services:** The bank's delivery systems were readily accessible to all portions of its assessment area, including LMI areas. M&T operates 32 branches in MSA 40380, of which eight, or 25%, are located in LMI areas. This compares favorably with the portion of the MSA population residing in LMI areas.

Changes in branch locations did not adversely impact the accessibility of the bank's delivery systems. No M&T branches were opened or closed during the evaluation period in this assessment area. Alternative delivery systems somewhat enhanced the bank's performance in the assessment area. M&T had 19 off-site ATM locations in the assessment area, with three, or 16%, in LMI areas.

The bank's hours and services were tailored to the needs and convenience of the assessment area, including LMI areas. Of the 32 branches in the MSA, 29 have either early morning or late evening hours, 21 have Saturday hours, and one branch has Sunday hours.

Community Development Services	
Type	#
Mortgage Education Seminars	244
Financial Literacy Seminars	28
Small Business Seminars	13
Technical Assistance (eg. Advisory Board)	26

**Community Development Services:** The bank was a leader in providing community development services in the Rochester MSA. The table at left shows the number and type of services the bank performed during the evaluation period. Most of the seminars covered mortgage lending topics for LMI borrowers. In addition, seven

M&T officers served as board members to community development organizations, and 19

officers were members of various committees (including loan, finance and audit committees), or served in other capacities, for organizations providing community development services to the Rochester MSA.

# METROPOLITAN AREA

(FULL REVIEW)

MSA 45060 (SYRACUSE, NY)

## DESCRIPTION OF INSTITUTION'S OPERATIONS

As of December 31, 2005, M&T operated 29 branches in MSA 45060 (Syracuse, NY), representing 12% of New York State branches. These branches contain \$1.6 billion in deposits, or 9% of the bank's total branch deposits in the State as of June 30, 2005. As of June 30, 2005, M&T was the market leader with 21% of deposits in the Syracuse MSA. Other financial institutions with a significant deposit market share included Key Bank National Association, HSBC Bank USA, JP Morgan Chase, Alliance Bank and Bank of America.

## PERFORMANCE CONTEXT

### Demographic Characteristics

M&T's assessment area includes Onondaga and Madison Counties. According to the 2000 Census, the population of the city of Syracuse declined 10% over the previous 10 years. In addition, over 13% of the MSA population is aged 65 and older. Many senior citizens already own homes and generally do not need refinancings, thus reducing lending opportunities.

### Income Characteristics

The table at right lists HUD median family income estimates during the examination period. HUD does not report annual income for the city. The median family income for the city of Syracuse is lower than in the rest of the MSA, according to the 2000 Census. In addition, poverty levels are high in the city which contains the majority of LMI census tracts in this assessment area.

HUD MEDIAN FAMILY INCOME		
MSA	2004	2005
45060 (Syracuse, NY)	\$57,200	\$58,150

2000 CENSUS INCOME		
Area	Median Family Income	% of Families Below Poverty Level
MSA 45060	\$49,907	8.5%
City of Syracuse	\$33,026	21.7%

### Housing Characteristics

MEDIAN HOME SALES PRICES		
Area	2004	2005*
MSA 45060	\$98,400	\$110,600

Source: National Association of Realtors. \*Preliminary

Housing costs are shown in the table to the left. Housing costs in relation to family incomes may limit opportunities for home purchase lending, particularly for LMI individuals. City residents in

particular might be unable to purchase homes without some sort of assistance. According to the 2000 Census, the median age of the housing stock is 43 years indicating opportunities for home improvement lending.

Labor, Employment and Economic Characteristics

The service industry is the MSA's dominant industry, providing 44% of employment according to the 2000 Census. Manufacturing is the second largest source of jobs and retail trade is third. Although the manufacturing sector is not adding new jobs, job losses have subsided, indicating this sector of the local economy has stabilized. According to a community contact, while the city's population has declined, the suburbs and principally North Syracuse have shown some growth. This increase has been largely due to growth in the high tech sector.

AVERAGE AREA UNEMPLOYMENT		
Area	2004	2005
MSA 45060	5.5%	4.9%
City of Syracuse	6.3%	5.7%

As shown in the chart at left, the New York State Department of Labor reports that jobless rates decreased during the examination period; however, unemployment rates are somewhat higher for the city of Syracuse than for the MSA. The trend in the unemployment rate reflects an

improved economic climate, but continues to indicate a need for further development in the city.

Detailed performance context data for this assessment area is provided in the Combined Demographics Report on the next page.

### Combined Demographics Report

Assessment Area: MSA 45060

Analysis Year: 2005

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	21	13.1	9,346	7.0	3,630	38.8	26,048	19.5
Moderate-income	26	16.3	15,732	11.8	2,898	18.4	23,597	17.6
Middle-income	66	41.3	63,434	47.4	3,448	5.4	28,734	21.5
Upper-income	47	29.4	45,206	33.8	1,082	2.4	55,339	41.4
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>160</b>	<b>100.0</b>	<b>133,718</b>	<b>100.0</b>	<b>11,058</b>	<b>8.3</b>	<b>133,718</b>	<b>100.0</b>
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	24,371	3,935	2.9	16.1	15,983	65.6	4,453	18.3
Moderate-income	33,366	12,157	9.0	36.4	16,960	50.8	4,249	12.7
Middle-income	101,689	69,605	51.2	68.4	25,375	25.0	6,709	6.6
Upper-income	65,853	50,130	36.9	76.1	12,376	18.8	3,347	5.1
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>225,279</b>	<b>135,827</b>	<b>100.0</b>	<b>60.3</b>	<b>70,694</b>	<b>31.4</b>	<b>18,758</b>	<b>8.3</b>
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	3,316	16.4	2,687	15.5	508	24.0	121	16.2
Moderate-income	1,894	9.4	1,616	9.3	197	9.3	81	10.8
Middle-income	8,931	44.2	7,577	43.7	1,022	48.3	332	44.4
Upper-income	6,065	30.0	5,463	31.5	388	18.3	214	28.6
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>20,206</b>	<b>100.0</b>	<b>17,343</b>	<b>100.0</b>	<b>2,115</b>	<b>100.0</b>	<b>748</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>85.8</b>		<b>10.5</b>		<b>3.7</b>
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	4	0.9	4	0.9	0	0.0	0	0.0
Moderate-income	42	9.5	42	10.0	0	0.0	0	0.0
Middle-income	226	51.2	212	50.2	13	76.5	1	50.0
Upper-income	169	38.3	164	38.9	4	23.5	1	50.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>441</b>	<b>100.0</b>	<b>422</b>	<b>100.0</b>	<b>17</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>				<b>95.7</b>		<b>3.9</b>		<b>0.5</b>

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 45060 (SYRACUSE, NY)**

**LENDING TEST**

The bank’s overall performance under the lending test was good in MSA 45060 (Syracuse, NY).

**Lending Activity:**

M&T’s responsiveness to retail credit needs in the MSA was good. In 2004 the bank ranked first in deposits (market share 18%) compared to second in home purchase lending (market share 6%), eighth in refinance lending (market share 3%) and fifth in small business lending (market share 7%). Peer Comparisons based on the number of loans per billion dollars of deposits indicates that M&T’s lending volume is consistent with the performance of similarly situated banks.

**Geographic Distribution:**

The overall geographic distribution of loans across geographies of different income levels reflected good distribution in LMI geographies. This is based on excellent distribution for HMDA-related loans and good distribution for small business loans. The following table summarizes the performance related to lending in LMI census tracts.

<b>MSA 45060 (SYRACUSE, NY)</b>				
<b>Product</b>	<b>Low-income Tracts</b>		<b>Moderate-income Tracts</b>	
	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>
Home Purchase	Excellent	Slightly above	Excellent	Above
Refinance	Good	Similar	Good	Slightly above
Small Business	Good	Similar	Good	Similar

**Distribution by Borrower Income and Revenue Size of Business:**

The overall distribution of loans among borrowers of different income levels and businesses of different sizes was good. This is based on a good distribution of lending to low-income borrowers, an excellent distribution of lending to moderate-income borrowers and adequate distribution of lending to businesses of different sizes. The conclusion for refinance loans considered the limited lending opportunities to low-income borrowers because of affordability issues discussed earlier in the Performance Context section. The following table summarizes HMDA-related lending performance.

<b>MSA 45060 (SYRACUSE, NY)</b>				
<b>Product</b>	<b>Low-income Borrowers</b>		<b>Moderate-income Borrowers</b>	
	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>
Home Purchase	Good	Significantly Above	Excellent	Slightly Above
Refinance	Adequate	Slightly Above	Excellent	Similar

The distribution of loans to businesses of different sizes was adequate when considering the proportion of loans to borrowers with GAR of \$1 million or less. Lending to businesses with GAR of \$1 million or less was above the aggregate and lending in amounts of \$100 thousand or less was below the aggregate.

**Community Development Lending:**

M&T's community development lending activity in MSA 45060 (Syracuse, NY) was good with six loan originations totaling over \$21 million, or 3% of the bank's community development activity in New York State. M&T's lending efforts were targeted to economic development, with \$9 million or 43% of community development lending activity. Affordable housing and community services each had \$6 million, or 29% of community development lending activity.

Performance was weaker than the last examination where community development lending totaled \$26 million. The bank's performance was similar to that of similarly situated banks when comparing annualized community development loans to deposits within MSA 45060.

An example of community development initiatives included:

- A \$9 million letter of credit to back industrial revenue bonds issued to finance the construction of a parking garage for an office complex in downtown Syracuse. The property is located in a low-income area and within an Empowerment Zone.

**INVESTMENT TEST**

M&T's investment test performance was good. The bank's volume of qualified investments totaled \$5 million, or 5% of statewide activity. The bank's qualified investment activity exhibited good responsiveness to assessment area credit needs as detailed in the table above.

<b>INVESTMENT PURPOSE</b>	<b>#</b>	<b>\$( '000S)</b>
Affordable Housing	16	3,380
Community Services	33	742
Economic Development	2	5
Revitalize & Stabilize	7	905
<b>Total</b>	<b>58</b>	<b>5,032</b>

Examples of qualified investments included:

- Multiple grants totaling \$120 thousand to a local organization that supports programs targeted towards meeting basic needs of LMI families, such as food, shelter and community services;
- Multiple investment bonds totaling \$1.4 million for road construction and to a local school district for financing building improvements in LMI areas. and
- A \$2.9 million LIHTC investment that supports affordable housing.

## SERVICE TEST

Performance under the service test was excellent in MSA 45060 (Syracuse, NY), based on M&T's excellent branch distribution and high level of community development services.

**Retail Services:** The bank's delivery systems were readily accessible to all portions of this assessment area, including LMI areas. M&T operates 29 branches in the Syracuse MSA. Six of these branches, or 21%, are located in LMI areas. In comparison, it is closely reflective of the 23% of the MSA population residing in LMI areas.

Changes in branch locations did not adversely impact the accessibility of the bank's delivery systems. No M&T branches were opened or closed during the evaluation period in this assessment area, although due to federal Office of Management and Budget changes to the metropolitan area boundaries, M&T now operates three fewer branches located in the Syracuse MSA.

The bank's products and services were tailored to the convenience and needs of the bank's assessment areas, including LMI areas. All 29 branches in the MSA have either early morning or late evening hours, and six branches have Saturday hours. The bank's alternative delivery systems slightly enhanced the bank's performance. M&T had 13 off-site ATM locations in the Syracuse MSA with three, or 23%, located in LMI areas.

Community Development Services	
Type	#
Mortgage Education Seminars	96
Financial Literacy Seminars	2
Technical Assistance (eg. Advisory Board)	13

**Community Development Services:** M&T provides a relatively high level of community development services. The table at left shows the type and number of community development services the bank performed during the evaluation period.

# METROPOLITAN AREA

(FULL REVIEW)

## MSA 39100 (POUGHKEEPSIE-NEWBURGH-MIDDLETOWN, NY)

### DESCRIPTION OF INSTITUTION'S OPERATIONS

M&T had 26 branches in MSA 39100 (Poughkeepsie-Newburgh-Middletown, NY) as of December 31, 2005, representing 11% of the bank's total number of branches in New York State. The Poughkeepsie MSA generated 6% of M&T's New York State deposits as of June 30, 2005, and the bank ranked third in MSA deposit market share, with 11% of deposits. Other leaders in terms of deposit market share included Key Bank, Bank of New York, Hudson United and Citizens Bank, NA.

### PERFORMANCE CONTEXT

#### *Demographic Characteristics*

M&T's assessment area includes Dutchess and Orange Counties. According to the 2000 Census, the population of the MSA is approximately 621 thousand. The city of Poughkeepsie's population increased 3.5% over the prior ten years to almost 30,000. Additionally, 11% of the MSA and 14% of Poughkeepsie's population is age 65 and older. Generally, an aging population limits opportunities for home purchase and refinance lending because older persons tend to own their own homes or live in senior citizen housing with limited mortgage financing needs.

#### *Income Characteristics*

The table at right lists HUD MSA median family income figures for the examination period. HUD does not report annual income estimates for the city. The median family income in the city of Poughkeepsie is lower than in the rest of the

HUD MEDIAN FAMILY INCOMES		
MSA	2004	2005
39100	\$70,700	\$71,650

MSA and poverty levels are higher, according to the 2000 Census as shown in the table on left.

2000 CENSUS INCOMES		
AREA	Median Family Income	% of Families < Poverty Level
MSA 39100	\$61,652	6.34%
City of Poughkeepsie	\$35,779	18.4%

Housing Characteristics

<b>MEDIAN HOME SALES PRICES</b>		
<b>County</b>	<b>2004</b>	<b>2005</b>
Dutchess	\$300,000	\$342,000
Orange	\$285,000	\$317,600

Housing costs in relation to family incomes may limit opportunities for home purchase lending, particularly for LMI individuals. Median home sales prices are noted in the chart to the left.

Source: New York State Association of Realtors.

Labor, Employment and Economic Characteristics

Dutchess and Orange Counties are primarily rural in nature. Dutchess County lost nearly half of its manufacturing employment in the early to mid 1990s; however it has recently rebounded slightly. Although much of the decline was specific to IBM, it is still the largest private-sector employer. Orange County has a typical employment mix, such as retail and health care. In addition, both counties have a high concentration of correctional and psychiatric facilities.

<b>AVERAGE ANNUAL UNEMPLOYMENT RATES</b>		
<b>Area</b>	<b>2004</b>	<b>2005</b>
MSA 39100	4.4%	4.0%
City of Poughkeepsie	5.2%	4.7%

As shown in the chart at left, jobless rates in the MSA are low and continued to decrease during the examination period. The rate in the city of Poughkeepsie is higher than that for the MSA, but still low overall. The trend in the unemployment rate reflects a strong area economy. Detailed performance context data

for this assessment area is provided in the Combined Demographics Report on the next page.

### Combined Demographics Report

Assessment Area: MSA 39100

Analysis Year: 2005

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	10	7.5	8,651	5.6	3,300	38.1	29,324	18.9
Moderate-income	21	15.8	17,604	11.4	2,338	13.3	27,684	17.9
Middle-income	78	58.6	96,871	62.6	3,647	3.8	37,568	24.3
Upper-income	22	16.5	31,678	20.5	607	1.9	60,228	38.9
Unknown-income	2	1.5	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>133</b>	<b>100.0</b>	<b>154,804</b>	<b>100.0</b>	<b>9,892</b>	<b>6.4</b>	<b>154,804</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>			<b>Rental</b>		<b>Vacant</b>	
		#	%	%	#	%	#	%
Low-income	15,109	3,009	2.1	19.9	10,295	68.1	1,805	11.9
Moderate-income	29,981	12,204	8.4	40.7	15,509	51.7	2,268	7.6
Middle-income	143,478	96,939	66.6	67.6	38,279	26.7	8,260	5.8
Upper-income	40,263	33,424	23.0	83.0	4,650	11.5	2,189	5.4
Unknown-income	26	0	0.0	0.0	15	57.7	11	42.3
<b>Total Assessment Area</b>	<b>228,857</b>	<b>145,576</b>	<b>100.0</b>	<b>63.6</b>	<b>68,748</b>	<b>30.0</b>	<b>14,533</b>	<b>6.4</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>			<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>	
		#	%	#	%	#	%	#
Low-income	1,740	7.1	1,498	7.0	160	8.6	82	7.3
Moderate-income	2,954	12.1	2,569	12.0	238	12.8	147	13.1
Middle-income	15,056	61.7	13,203	61.7	1,153	62.1	700	62.2
Upper-income	4,637	19.0	4,134	19.3	306	16.5	197	17.5
Unknown-income	1	0.0	1	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>24,388</b>	<b>100.0</b>	<b>21,405</b>	<b>100.0</b>	<b>1,857</b>	<b>100.0</b>	<b>1,126</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>87.8</b>		<b>7.6</b>		<b>4.6</b>
	<b>Total Farms by Tract</b>	<b>Farms by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>			<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>	
		#	%	#	%	#	%	#
Low-income	2	0.4	2	0.5	0	0.0	0	0.0
Moderate-income	35	7.6	35	8.1	0	0.0	0	0.0
Middle-income	272	59.4	265	61.5	5	20.8	2	66.7
Upper-income	149	32.5	129	29.9	19	79.2	1	33.3
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>458</b>	<b>100.0</b>	<b>431</b>	<b>100.0</b>	<b>24</b>	<b>100.0</b>	<b>3</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>				<b>94.1</b>		<b>5.2</b>		<b>0.7</b>

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 39100 (POUGHKEEPSIE-NEWBURGH-MIDDLETOWN, NY)**

**LENDING TEST**

Overall performance with respect to the lending test in MSA 39100 (Poughkeepsie-Newburgh-Middleton, NY) was good.

**Lending Activity:**

M&T’s responsiveness to retail credit needs in the MSA was good. In 2004 the bank ranked third in deposit market share (11% market share) compared to a ranking of seventh in home purchase lending (market share 3%), 20<sup>th</sup> in refinance lending (market share 1%) and ninth in small business lending (market share 4%). Peer Comparisons based on the number of loans per billion dollars of deposits indicates that the bank’s lending volume is consistent with the performance of similarly situated banks.

**Geographic Distribution:**

Geographic distribution for this assessment area was excellent with overall good distribution in low-income tracts and overall excellent distribution in moderate-income tracts. The following table summarizes the performance related to lending in LMI tracts.

<b>MSA 39100 (POUGHKEEPSIE-NEWBURGH-MIDDLETOWN, NY)</b>				
<b>Product</b>	<b>Low-income Tracts</b>		<b>Moderate-income Tracts</b>	
	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>
Home Purchase	Excellent	Similar	Excellent	Slightly above
Refinance	Good	Below	Excellent	Significantly above
Small Business	Good	Similar	Good	Similar

**Distribution by Borrower Income and Revenue Size of the Business:**

Lending performance in this assessment area was good based on good levels of HMDA-related lending to LMI borrowers and an adequate level of lending to small businesses. The conclusions considered the difficulty of making home purchase loans to low-income borrowers considering the high cost of housing in the assessment area as noted in the Performance Context section. The following table summarizes the performance related to lending to LMI borrowers.

<b>MSA 39100 (POUGHKEEPSIE-NEWBURGH-MIDDLETOWN, NY)</b>				
<b>Product</b>	<b>Low-income Borrowers</b>		<b>Moderate-income Borrowers</b>	
	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>
Home Purchase	Adequate	Above	Excellent	Above
Refinance	Adequate	Significantly Above	Excellent	Above

The distribution of loans to businesses of different sizes was adequate when considering the proportion of loans to borrowers with GAR of \$1 million or less. Lending to businesses with GAR of \$1 million or less was significantly above the aggregate and lending in amounts of \$100,000 or less was slightly below the aggregate.

**Community Development Lending:**

M&T’s community development lending activity in MSA 39100 (Poughkeepsie-Newburgh-Middletown, NY) was excellent with 23 loan originations totaling \$44 million, or 7% of the bank’s New York State community development activity. Performance within the Poughkeepsie MSA was directed at affordable housing initiatives, which represented 49% of community development lending activity within the MSA.

Within MSA 39100 M&T was a leader in community development lending. The bank’s community development lending on an annualized basis compared to deposits within MSA 39100 exceeded that of similarly situated institutions.

Examples of community development initiatives included:

- A \$17.5 million letter of credit to support bonds issued for the acquisition and renovation of a 375 unit apartment complex in Newburgh, NY. Forty percent of the units are restricted to tenants with incomes of less than 60% of the area median income. The majority of tenants are expected to qualify for Section 8 payments under LIHTC procedures.

**INVESTMENT TEST**

The level of qualified investments in this MSA was adequate, totaling \$132 thousand. The activity exhibited adequate responsiveness to assessment credit needs as detailed in the table on the next page. All of the qualified investments were to organizations that support economic development, affordable housing, and community development services that benefit low and moderate income families.

INVESTMENT PURPOSE	#	\$('000s)
Affordable Housing	7	39
Community Services	34	90
Economic Development	3	3
Revitalize & Stabilize	0	0
<b>Total</b>	<b>44</b>	<b>132</b>

**SERVICE TEST**

Performance under the service test was outstanding in MSA 39100 (Poughkeepsie-Newburgh-Middleton, NY) based primarily on M&T's excellent branch distribution.

**Retail Services:** The bank's delivery systems were readily accessible to all portions of the bank's assessment area, including LMI areas. M&T has 26 branches in MSA 39100, of which five, or 19%, are located in LMI areas. This compares favorably with the portion of the MSA population residing in LMI areas.

Changes in branch locations did not adversely impact the accessibility of the bank's delivery systems. No M&T Bank branches were opened or closed during the evaluation period in this assessment area.

The bank's hours and services do not vary in a way that inconveniences the assessment area, including LMI areas. Of the 26 branches in the MSA, seven have either early morning or late evening hours and 20 have Saturday hours. Alternative delivery systems somewhat enhanced the bank's performance in the Poughkeepsie assessment area. M&T had ten off-site ATM locations in the assessment area, with one, or 10%, in an LMI area.

**Community Development Services:**

Community Development Services	
Type	#
Mortgage Education Seminars	53
Technical Assistance (eg. Advisory Board)	10

As shown in the table to the left, the bank provided a relatively high level of community development services in the Poughkeepsie MSA.

# METROPOLITAN AREA

(FULL REVIEW)

MSA 10580 (ALBANY-SCHENECTADY-TROY, NY)

## DESCRIPTION OF INSTITUTION'S OPERATIONS

As of December 31, 2005, M&T operated 12 branches, representing 5% of its New York State branches, in this MSA. The bank was ranked eighth in terms of deposit market share, as of June 30, 2005, with 3% of assessment area deposits. Top banks in deposits in the area include Bank of America, NA, Citizens Bank, NA and Key Bank National Association.

## PERFORMANCE CONTEXT

### Demographic Characteristics

M & T's assessment area includes Albany, Rensselaer, Saratoga and Schenectady Counties. According to the 2000 Census, the city of Albany's population declined 4.4% to 96 thousand over the previous ten year period. The 2000 Census also reports that 14% of the MSA's population is aged 65 and older. Many senior citizens already own homes and generally do not need refinancings, which may reduce lending opportunities.

### Income Characteristics

The table at right lists HUD figures for median family income during the examination period. HUD does not report annual incomes for the city. Median family income in the city of Albany is lower than in the rest of the MSA, according to the 2000 Census. Poverty is also concentrated in the city.

HUD MEDIAN FAMILY INCOMES		
AREA	2004	2005
MSA 10580	\$63,000	\$64,600

2000 CENSUS INCOMES		
Area	Median Family Income	% of Families < Poverty Level
MSA 10580	\$54,944	6.4%
City of Albany	\$39,932	16.0 %

### Housing Characteristics

MEDIAN HOME SALES PRICES		
Area	2004	2005*
MSA 10580	\$161,300	\$183,600

Source: National Association of Realtors. \*Preliminary

The table at left provides the median home sales prices for MSA 10580. Housing costs in relation to family incomes may limit opportunities for home purchase lending, particularly for LMI individuals. City residents in

particular might be unable to purchase homes without some sort of assistance. The 2000 Census

also reported that 59% of housing units are owner-occupied and 9% are vacant. In addition, the median age of the housing stock is 43 years, indicating a potential need for home improvement financing.

Labor, Employment and Economic Characteristics

Albany is New York State's most affluent metropolitan area outside the New York City Metropolitan region. Its primary industry is state government, which has helped the area during economic downturns. The area also has a large high tech industry, and is a leader in the development of nano-technology.

AVERAGE ANNUAL UNEMPLOYMENT RATES		
Area	2004	2005
MSA 10580	4.2%	3.9%
City of Albany	4.9%	4.5%

As shown in the chart at left, jobless rates decreased during the examination period; however, unemployment rates are slightly higher for Albany than for the MSA. The trend in the unemployment rate reflects a strong area economy.

Detailed performance context data for this assessment area is provided in the Combined Demographics Report on the next page.

### Combined Demographics Report

Assessment Area: Albany MSA 10580

Analysis Year: 2005

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	20	9.7	11,989	5.9	3,640	30.4	37,920	18.7
Moderate-income	38	18.4	27,125	13.4	3,678	13.6	36,990	18.2
Middle-income	101	49.0	104,077	51.3	4,353	4.2	46,677	23.0
Upper-income	46	22.3	59,606	29.4	1,094	1.8	81,210	40.0
Unknown-income	1	0.5	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>206</b>	<b>100.0</b>	<b>202,797</b>	<b>100.0</b>	<b>12,765</b>	<b>6.3</b>	<b>202,797</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>			<b>Rental</b>		<b>Vacant</b>	
		#	%	%	#	%	#	%
Low-income	31,163	5,905	2.9	18.9	19,698	63.2	5,560	17.8
Moderate-income	57,481	22,169	10.9	38.6	26,403	45.9	8,909	15.5
Middle-income	174,010	111,393	54.7	64.0	50,720	29.1	11,897	6.8
Upper-income	85,171	64,286	31.6	75.5	17,681	20.8	3,204	3.8
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>347,825</b>	<b>203,753</b>	<b>100.0</b>	<b>58.6</b>	<b>114,502</b>	<b>32.9</b>	<b>29,570</b>	<b>8.5</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	3,363	11.8	2,704	11.1	422	14.8	237	18.1
Moderate-income	3,409	12.0	2,902	12.0	336	11.8	171	13.0
Middle-income	13,720	48.2	11,796	48.6	1,331	46.7	593	45.2
Upper-income	7,943	27.9	6,873	28.3	760	26.7	310	23.6
Unknown-income	1	0.0	1	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>28,436</b>	<b>100.0</b>	<b>24,276</b>	<b>100.0</b>	<b>2,849</b>	<b>100.0</b>	<b>1,311</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>85.4</b>		<b>10.0</b>		<b>4.6</b>
	<b>Total Farms by Tract</b>	<b>Farms by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	4	0.9	4	0.9	0	0.0	0	0.0
Moderate-income	27	5.9	26	5.9	1	9.1	0	0.0
Middle-income	305	67.0	295	66.7	8	72.7	2	100.0
Upper-income	119	26.2	117	26.5	2	18.2	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>455</b>	<b>100.0</b>	<b>442</b>	<b>100.0</b>	<b>11</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>				<b>97.1</b>		<b>2.4</b>		<b>0.4</b>

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 15380 (ALBANY-SCHENECTADY-TROY, NY)**

**LENDING TEST**

Overall performance with respect to the lending test in MSA 15380 (Albany-Schenectady-Troy, NY) was good.

**Lending Activity:**

M&T's responsiveness to retail credit needs in MSA 15380 (Albany-Schenectady-Troy, NY) was good. The bank ranked eighth in deposits (market share 3%) compared to ninth in home purchase lending (market share 3%), 19<sup>th</sup> in refinance lending (market share 1%) and 15<sup>th</sup> in small business lending (market share 2%). Peer Comparisons based on the number of loans per billion dollars of deposits indicates that M&T's lending volume is consistent with the performance of similarly situated banks.

**Geographic Distribution:**

The geographic distribution for this assessment area was excellent with overall excellent distribution in both low-income and moderate-income census tracts. The overall conclusion for HMDA-related lending in LMI areas was excellent and good for small business lending. The following table summarizes performance related to lending in LMI census tracts.

<b>MSA 10580 (ALBANY, NY)</b>				
<b>Product</b>	<b>Low-income Tracts</b>		<b>Moderate-income Tracts</b>	
	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>
Home Purchase	Excellent	Slightly below	Excellent	Similar
Refinance	Good	Slightly below	Excellent	Slightly above
Small Business	Excellent	Significantly above	Good	Slightly below

**Distribution by Borrower Income and Revenue Size of Business:**

Lending performance in this assessment area was good based on adequate levels of lending to low-income borrowers and small businesses and an excellent level of lending to moderate-income borrowers. HMDA-related lending performance is summarized in the following table.

<b>MSA 10580 (ALBANY-SCHENECTADY-TROY, NY)</b>				
<b>Product</b>	<b>Low-income Borrowers</b>		<b>Moderate-income Borrowers</b>	
	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>
Home Purchase	Adequate	Slightly Above	Excellent	Slightly Above
Refinance	Good	Significantly Above	Excellent	Slightly Above

The distribution of loans to businesses of different sizes was adequate when considering the proportion of loans to borrowers with GAR of \$1 million or less. Lending to businesses with GAR of \$1 million or less was above the aggregate and lending in amounts less than \$100 thousand was below the aggregate.

**Community Development Lending:**

M&T’s community development lending activity in MSA 10580 (Albany-Schenectady-Troy, NY) was good, with six loan originations totaling \$32 million, or 5% of the bank’s New York State community development activity.

Performance within the Albany MSA was directed at both affordable housing and economic development initiatives, with 43% and 56% of community development activity, respectively. The bank’s performance was consistent with that of similarly situated banks in terms of annualized community development loans as a percent of local deposits.

An example of a community development initiative included:

- An \$11.5 million construction loan for a hotel in a low-income census tract within an Empire Development Zone. Construction of the hotel will provide jobs for local residents.

**INVESTMENT TEST**

M&T’s investment test performance in MSA 10580 (Albany-Schenectady-Troy, NY) was adequate, totaling \$223 thousand. The activity exhibited adequate responsiveness to assessment credit needs. All of the qualified investments were in the form of grants to organizations that support economic development, affordable housing and community services to low and moderate income individuals. The table below shows the breakdown of the qualified investments.

<b>INVESTMENT PURPOSE</b>	<b>#</b>	<b>\$('000s)</b>
Affordable Housing	16	66
Community Services	43	136
Economic Development	4	21
Revitalize & Stabilize	0	0
<b>Total</b>	<b>63</b>	<b>223</b>

## SERVICE TEST

Performance under the service test was good based on M&T's relatively high level of community development services provided in the assessment area and its good branch distribution.

**Retail Services:** The bank's delivery systems were accessible to essentially all portions of the bank's assessment area, including LMI areas. Overall, M&T has 12 branches in the MSA, of which two, or 17%, are located in LMI areas. In comparison, 22% of the MSA population resides in LMI areas.

Changes in branch locations did not adversely impact the accessibility of the bank's delivery systems. No branches were opened or closed in this assessment area during the evaluation period.

Alternative delivery systems slightly enhanced the bank's performance in the assessment area. M&T had eight off-site ATM locations in the assessment area; two of the ATMs, or 25%, were located in LMI areas.

The bank's hours and services do not vary in a way that inconveniences certain portions of the assessment area, including LMI areas. Of the 12 branches in the MSA, four had either early morning or late evening hours and five had Saturday hours.

Community Development Services	
Type	#
Mortgage Education Seminars	48
Financial Literacy Seminars	1
Technical Assistance (eg. Advisory Board)	19

**Community Development Services:** The bank provided a relatively high level of community development services in the assessment area as shown in the table to the left.

# METROPOLITAN AND NONMETROPOLITAN AREAS

(LIMITED REVIEW)

**MSA 13780 (Binghamton, NY)**

**NY Non-MSA Group A (Allegany, Cattaraugus, Chautauqua, Genesee, Wyoming and Steuben Counties)**

**MSA 28740 (Kingston, NY)**

**MSA 27060 (Ithaca, NY)**

**NY Non-MSA Group B (Cayuga, Seneca and Cortland Counties)**

**NY Non-MSA Group C (Sullivan County)**

**MSA 45640 (Utica-Rome, NY)**

**MSA 21300 (Elmira, NY)**

The data reviewed, including performance and demographic information, can be found in the New York State tables in Appendix D. Conclusions regarding performance were compared with the overall state rating, which was based on the full-scope assessment area performance. Conclusions follow:

<b>PERFORMANCE OF LIMITED SCOPE AREAS</b>			
<b>Assessment Area</b>	<b>Lending Test</b>	<b>Investment Test</b>	<b>Service Test</b>
MSA 13780	Consistent	Consistent	Consistent
Non-MSA Group A	Consistent	Consistent	Below
MSA 28740	Consistent	Consistent	Consistent
MSA 27060	Consistent	Consistent	Consistent
Non-MSA Group B	Consistent	Consistent	Below
Non-MSA Group C	Below	Consistent	Below
MSA 45640	Consistent	Below	Below
MSA 21300	Below	Below	Below

## STATE OF PENNSYLVANIA

### ***CRA RATING FOR PENNSYLVANIA<sup>1</sup>: SATISFACTORY***

*The lending test is rated: High Satisfactory.*

*The investment test is rated: High Satisfactory.*

*The service test is rated: Outstanding.*

The major factors supporting the rating include:

- Good responsiveness to assessment area credit needs;
- Good geographic distribution of loans in the bank's assessment areas;
- Good distribution of loans among borrowers of different income levels and businesses of different sizes;
- A good level of community development lending;
- A good level of qualified investments; and
- Readily accessible delivery systems to geographies and individuals of different income levels.

### **SCOPE OF EXAMINATION**

For the state of Pennsylvania rating, examiners conducted full-scope analyses of five assessment areas:

- MSA 49620 (York-Hanover, PA)
- MSA 25420 (Harrisburg-Carlisle, PA)
- MSA 42540 (Scranton -Wilkes-Barre, PA)
- PA Non-MSA Group A (Columbia, Schuylkill, Northumberland, Montour, Bradford, Sullivan, Snyder and Union Counties)
- MSA 11020 (Altoona, PA)

As shown in Exhibit 5 on Page BB 61, the full scope assessment areas provide 71% of branch deposits and 59% of loan originations in the state.

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<sup>1</sup> 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. See the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

Limited reviews were conducted for the following Pennsylvania assessment areas:

- MSA 39740 (Reading, PA)
- PA Non-MSA Group C (Adams, Franklin, Huntington and Bedford Counties)
- MSA 29540 (Lancaster, PA)
- MSA 48700 (Williamsport, PA)
- MSA 44300 (State College, PA)
- MSA 10900 (Allentown-Bethlehem-Easton, PA)
- MSA 30140 (Lebanon, PA)
- PA Non-MSA Group D (Clearfield and Clinton Counties)
- PA Non-MSA Group B (Monroe County)

## **DESCRIPTION OF INSTITUTION'S OPERATIONS**

The Pennsylvania assessment areas have the second largest branch presence and proportion of deposits. As detailed in Exhibit 1 on page BB7, as of December 31, 2005, M&T operated 31% of its branches in its Pennsylvania assessment areas. The FDIC reported that as of June 30, 2005, 22% of all branch deposits were held in the Pennsylvania assessment areas. The State also generated approximately 30% of the bank's combined total home purchase, refinance and small business originations and purchases made during the examination period.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN PENNSYLVANIA**

### **LENDING TEST**

M&T's performance on the lending test was good.

The data used to evaluate the bank's performance in this assessment area appear in the Pennsylvania section of the Appendix D tables. Lending activity is depicted in Pennsylvania Table 1, geographic distribution in Pennsylvania Tables 2-4, and borrower characteristics are depicted in Pennsylvania Tables 5-7.

### **Lending Activity:**

M & T's lending activity showed good 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 and purchased in each assessment area. This conclusion is based on good lending activity in MSA 49620 (York-Hanover) 25420 (Harrisburg-Carlisle), MSA 42540 (Scranton-Wilkes-Barre), PA Non-MSA Group A and excellent lending activity in MSA 11020 (Altoona).

EXHIBIT 5: Summary of Key Assessment Area Date: State of Pennsylvania Assessment Areas

	MSA 49620	MSA 25420	MSA 42540	Non-MSA Group A	MSA 39740	Non-MSA Group C	MSA 11020	MSA 29540	MSA 48700	MSA 44300	MSA 10900	MSA 30140	Non-MSA Group D	Non-MSA Group B	TOTALS
<b>Total Population</b>	381,751	465,472	560,625	475,766	373,638	273,969	129,144	470,658	120,044	135,758	637,958	120,327	85,005	138,687	4,368,802
Population % of AA population	9%	11%	13%	11%	9%	6%	3%	11%	3%	3%	15%	3%	2%	3%	100%
<b>Families</b>	105,861	122,754	148,520	125,805	98,882	76,881	35,267	179,990	31,916	28,628	170,289	32,890	22,844	36,602	1,217,129
Families % of AA families	9%	10%	12%	10%	8%	6%	3%	15%	3%	2%	14%	3%	2%	3%	100%
<b>Total Census Tracts</b>	82	102	168	112	82	61	34	94	27	29	140	29	20	23	1,003
Tracts % AA tracts	8%	10%	17%	11%	8%	6%	3%	9%	3%	3%	14%	3%	2%	2%	100%
<b>LMI tracts</b>	17	30	22	11	25	3	7	16	6	8	43	4	5	0	197
LMI tracts % all AA LMI tracts	9%	15%	11%	6%	13%	2%	4%	8%	3%	4%	22%	2%	3%	0%	100%
<b>Total Owner-Occupied Units</b>	112,816	127,751	158,663	139,619	104,693	80,223	37,561	122,264	32,653	29,673	176,872	33,863	25,401	38,742	1,220,794
Units % of AA units	9%	10%	13%	11%	9%	7%	3%	10%	3%	2%	14%	3%	2%	3%	100%
<b>Business Establishments</b>	12,391	17,399	20,064	12,649	12,441	8,912	3,993	17,562	4,099	4,389	21,912	3,897	2,241	4,678	146,627
Bus. est. % AA bus. est.	8%	12%	14%	9%	8%	6%	3%	12%	3%	3%	15%	3%	2%	3%	100%
<b>Number of Branches</b>	31	32	18	30	15	19	11	8	6	9	8	4	5	1	197
Branches % all branches	16%	16%	9%	15%	8%	10%	6%	4%	3%	5%	4%	2%	3%	1%	100%
<b>Branches in LMI tracts</b>	5	12	2	5	2	4	4	1	2	2	2	1	0	0	42
LMI branches % AA LMI branches	12%	29%	5%	12%	5%	10%	10%	2%	5%	5%	5%	2%	0%	0%	100%
<b>Branch Deposits (\$'000s)</b>	1,313	1,270	1,267	782	560	540	465	238	205	188	129	109	81	24	7,171
Deposits % AA deposits	18%	18%	18%	11%	8%	8%	6%	3%	3%	3%	2%	2%	1%	0.3%	100%
Deposit Market Share (%)/ Rank in Market	24/1	16/1	13/2	13/1	9/4	14/2	26/1	3/10	14/4	10/5	1/19	7/5	5/7	1/13	NA
<b>Home Purchase Originations</b>	469	393	512	471	150	447	330	197	245	187	123	58	117	73	3,772
HP originations % AA orig.	12%	10%	14%	12%	4%	12%	9%	5%	6%	5%	3%	2%	3%	2%	100%
<b>Refinance Originations</b>	691	408	619	757	270	497	221	187	153	193	165	106	115	70	4,452
Refi orig. % AA orig.	16%	9%	14%	17%	6%	11%	5%	4%	3%	4%	4%	2%	3%	2%	100%
<b>Home Improvement Originations</b>	145	118	101	218	76	122	103	28	51	23	27	12	52	4	1,080
Home Improvement orig. % AA orig.	13%	11%	9%	20%	7%	11%	10%	3%	5%	2%	3%	1%	5%	0%	100%
<b>Small Business Originations</b>	1,240	1,080	928	796	459	776	407	327	177	327	238	516	106	28	7,405
SB orig. % AA orig.	17%	15%	13%	11%	6%	10%	5%	4%	2%	4%	3%	7%	1%	0%	100%
<b>Combined Loan Totals</b>	2,545	1,999	2,160	2,242	955	1,842	1,061	739	626	730	553	692	390	175	16,709
% of AA Orig.	15%	12%	13%	13%	6%	11%	6%	4%	4%	4%	3%	4%	2%	1%	100%

Branch numbers are as of 12/31/2005. Branch deposits and deposit market share are from the FDIC as of 6/30/05. Originations are loans reported under HMDA or CRA small business reporting for 2004 and 2005. Demographic information was obtained from the 2000 Census. Business establishments information was reported by D&B for 2004.

### **Geographic and Borrower Distribution:**

The overall geographic distribution of loans reflected good penetration in LMI geographies. This conclusion was based on good distribution in MSA 49620 (York-Hanover, PA), MSA 42540 (Scranton-Wilkes Barre, PA) and PA Non-MSA Group A as well as excellent distribution in MSA 25420 (Harrisburg-Carlisle, PA) and MSA 11020 (Altoona, PA).

The overall borrower distribution of HMDA-related and small business loans in this assessment area was good. This conclusion is based on good performance in all the full-scope areas except for PA Non MSA Group A, where lending performance was adequate.

### **Community Development Loans:**

M&T's overall community development lending performance was good. This conclusion is based on outstanding performance in Non MSA Group A, good performance in MSA 49620 (York-Hanover), MSA 11020 (Altoona), and MSA 42540 (Scranton-Wilkes-Barre), and adequate performance in MSA 25420 (Harrisburg-Carlisle).

During the examination period, community development lending in Pennsylvania totaled \$93 million. Statewide, 43% of M&T's community development lending targeted economic development and 27% targeted community services. Community contacts in the state identified economic development related to job creation as an important credit need. The remainder of community development lending targeted affordable housing initiatives, which represented 18% of total activity, and revitalization and stabilization initiatives, which represented 12%.

### **INVESTMENT TEST**

M&T's performance under the investment test was good. Overall, the bank made 86 qualified investments, totaling approximately \$18 million, within the Pennsylvania assessment area. This includes \$9 million in LIHTCs, which are responsive to the community's pressing needs for affordable housing, and are considered complex because of intricate accounting requirements. Total investments included \$1.9 million in charitable grants and contributions to organizations supporting affordable housing, economic development and community development services to low- and moderate-income individuals. The total qualified investments also included \$6.3 million of investments benefiting the state.

### **SERVICE TEST**

M&T's performance under the service test in the Pennsylvania assessment areas was outstanding. This conclusion was based on excellent performance in the five full-scope assessment areas. The bank's delivery systems were readily accessible to all portions of the assessment areas.

# METROPOLITAN AREA

(FULL REVIEW)

MSA 49620 (YORK-HANOVER, PA)

## DESCRIPTION OF INSTITUTION'S OPERATIONS

MSA 49620 (York-Hanover, PA) is located in south central Pennsylvania and consists of York County. The MSA is a competitive marketplace where several large super-regional banks compete with community banks, savings and loan associations, and non-financial institutions. M&T's primary competitors are Sovereign Bank, Community Banks NA, Fulton Bank, Wachovia Bank, and Citizens Bank of PA.

As of December 31, 2005, M&T operated 31 branches in the York MSA, representing 16% of its branches in the state of Pennsylvania. These branches contained \$1.3 billion in deposits, or 18% of the bank's total branch deposits in Pennsylvania as of June 30, 2005. M&T ranks first in deposit market share, holding 24% of the MSA's deposit dollars.

## PERFORMANCE CONTEXT

### Demographic Characteristics

York County's population is spread throughout the county while the city of York contains only 11% of the total county population. The city's population declined between 1990 and 2000, although the county as a whole grew 12%. Of the 17 LMI census tracts in the MSA, 15 are located in the city of York and two are in Hanover Borough. Some of the growth in the county can be attributed to southern York County's proximity to the Baltimore and Washington, DC metropolitan areas, where home prices and the cost of living are considerably higher. Interstate 83, extending into York County from the Baltimore area, facilitates easy access from the south.

### Income Characteristics

HUD MEDIAN FAMILY INCOMES		
AREA	2004	2005
MSA 49620	\$60,800	\$60,950

The HUD-adjusted median family income figures for the York MSA are summarized in the table at left. The 2000 Census indicates that 36% of families in the MSA are designated as LMI.

### Housing Characteristics

Although 72% of housing units in the MSA are owner-occupied, just 39% of units are owner-occupied in LMI tracts. Although the median rent is relatively low at \$531, close to 30% of renters pay more than 30% of their income for rent. This indicates affordability issues for some lower income residents.

The table at right shows that the average price of a home in York County increased 12% over the last year. Over the past five years the increase was 42%. Much of the increase is attributed to southern York County's proximity to Baltimore and Washington, DC. The housing market in York County has expanded significantly in recent years as people move to the area in search of more affordable housing.

AVERAGE HOME PRICE		
Area	2004	2005
York County	\$131,300	\$147,000

Source: Moody's Economy.com

Labor, Employment and Economic Characteristics

Unemployment in the York-Hanover MSA declined during the examination period, as shown in the table at right. Rates remain lower than those in Pennsylvania overall. However, much of York County employment still depends on the manufacturing sector, which is declining.

AVERAGE ANNUAL UNEMPLOYMENT RATES		
Area	2005	2004
MSA 49620	4.2%	4.5%
State of Pennsylvania	5.0%	5.4%

As a result of York's aging population, health care has become one of the area's leading employers, along with many specialized manufacturers and food production and processing entities. The city and county have government designated Keystone Opportunity Zones which may attract and retain businesses. Growth is somewhat restricted by the aging population and lack of highly skilled workers, but the county's proximity to Baltimore and Washington and the low cost of living relative to the two cities work in the area's favor.

Detailed performance context data for this assessment area is provided in the Combined Demographics Report on the next page.

### Combined Demographics Report

Assessment Area: MSA 49620

Analysis Year: 2005

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	6	7.3	3,141	3.0	956	30.4	16,904	16.0
Moderate-income	11	13.4	7,213	6.8	956	13.3	20,729	19.6
Middle-income	58	70.7	87,511	82.7	2,782	3.2	28,643	27.1
Upper-income	7	8.5	7,996	7.6	125	1.6	39,585	37.4
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>82</b>	<b>100.0</b>	<b>105,861</b>	<b>100.0</b>	<b>4,819</b>	<b>4.6</b>	<b>105,861</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>		<b>Rental</b>		<b>Vacant</b>		
		<b>#</b>	<b>%</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low-income	6,572	1,688	1.5	25.7	3,799	57.8	1,085	16.5
Moderate-income	14,152	6,323	5.6	44.7	6,409	45.3	1,420	10.0
Middle-income	125,690	95,882	85.0	76.3	24,181	19.2	5,627	4.5
Upper-income	10,306	8,923	7.9	86.6	1,014	9.8	369	3.6
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>156,720</b>	<b>112,816</b>	<b>100.0</b>	<b>72.0</b>	<b>35,403</b>	<b>22.6</b>	<b>8,501</b>	<b>5.4</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	
Low-income	766	6.2	613	5.8	116	9.1	37	7.1
Moderate-income	1,125	9.1	935	8.8	144	11.3	46	8.9
Middle-income	9,593	77.4	8,268	78.0	927	72.6	398	76.8
Upper-income	907	7.3	780	7.4	90	7.0	37	7.1
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>12,391</b>	<b>100.0</b>	<b>10,596</b>	<b>100.0</b>	<b>1,277</b>	<b>100.0</b>	<b>518</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>85.5</b>		<b>10.3</b>		<b>4.2</b>
	<b>Total Farms by Tract</b>	<b>Farms by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	
Low-income	2	0.3	2	0.3	0	0.0	0	0.0
Moderate-income	2	0.3	2	0.3	0	0.0	0	0.0
Middle-income	567	95.0	557	94.9	8	100.0	2	100.0
Upper-income	26	4.4	26	4.4	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>597</b>	<b>100.0</b>	<b>587</b>	<b>100.0</b>	<b>8</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>				<b>98.3</b>		<b>1.3</b>		<b>0.3</b>

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 49620 (YORK-HANOVER, PA)**

**LENDING TEST**

Overall lending test performance in MSA 49620 (York-Hanover, PA) was good.

**Lending Activity:**

M&T's responsiveness to retail credit needs in this MSA was good. The bank ranked first in deposits (market share 24%) compared to eighth in home purchase lending (market share 3%), sixth in refinance lending (market share 3%) and fourth in small business lending (market share 8%). Peer Comparisons based on the number of loans per billion dollars of deposits indicates that the bank's lending volume compares favorably with the performance of similarly situated banks.

**Geographic Distribution:**

The geographic distribution for this assessment area was good based on an overall good distribution in low-income census tracts and excellent distribution in moderate-income census tracts. Overall home purchase lending performance was excellent, while refinance and small business lending in LMI areas was good. The following table summarizes the bank's performance.

<b>MSA 49620 (YORK-HANOVER, PA)</b>				
<b>Product</b>	<b>Low-income Tracts</b>		<b>Moderate-income Tracts</b>	
	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>
Home Purchase	Excellent	Above	Excellent	Slightly above
Refinance	Excellent	Above	Good	Slightly above
Small Business	Adequate	Slightly below	Excellent	Above

**Distribution by Borrower Income and Revenue Size of the Business:**

Lending performance in this assessment area was good based on a good level of lending to low-income borrowers, an excellent level of lending to moderate-income borrowers and an adequate level of lending to small businesses. The following table summarizes the performance related to lending to LMI borrowers.

<b>MSA 49620 (YORK-HANOVER, PA)</b>				
<b>Product</b>	<b>Low-income Borrowers</b>		<b>Moderate-income Borrowers</b>	
	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>
Home Purchase	Excellent	Significantly Above	Excellent	Slightly Above
Refinance	Good	Significantly Above	Excellent	Slightly Above

The distribution of loans to businesses of different sizes was adequate when considering the proportion of loans to borrowers with GAR of \$1 million or less. Lending to businesses with GAR of \$1 million or less was above the aggregate and lending in amounts of \$100 thousand or less was below the aggregate.

**Community Development Lending:**

M&T's community development lending activity in MSA 49620 (York-Hanover, PA) was good, with four loan originations totaling over \$11 million, or 12% of the bank's Pennsylvania community development activity. Performance was slightly better than the last examination when two loans for \$8.5 million were reported. The bank compared favorably to similarly situated banks on an annualized basis of community development loans compared to deposits within MSA 49620.

Performance within the York MSA was directed at community service initiatives. Community service initiatives represented 57% of community development lending activity within the MSA. Examples of community development lending included a \$2.4 million loan to a social service agency for working capital that was designed to cover timing differences in receipt of grant funds from the State of Pennsylvania. The agency provides social services and affordable housing programs to low- and moderate-income individuals and families in the York, Pennsylvania area.

**INVESTMENT TEST**

M&T's investment performance in the York-Hanover MSA was adequate. The bank's volume of qualified investments totaled \$285 thousand. This activity represents adequate responsiveness to assessment area credit needs as detailed in the table below:

<b>INVESTMENT PURPOSE</b>	<b>#</b>	<b>\$('000s)</b>
Affordable Housing	12	187
Community Services	6	96
Economic Development	1	2
Revitalize & Stabilize	0	0
<b>Total</b>	<b>19</b>	<b>285</b>

Examples of qualified investments included:

- Multiple grants totaling \$71 thousand to an organization that provide community services and affordable housing; and
- Multiple LIHTCs totaling \$165 thousand to support affordable housing throughout the MSA.

## SERVICE TEST

Performance under the service test was outstanding, based primarily on M&T's excellent branch distribution in the York-Hanover MSA.

**Retail Services:** The bank's delivery systems were readily accessible to all portions of the assessment area, including LMI areas. Overall, M&T has 31 branches in MSA 49620, of which five or 16% are located in LMI areas. This compares favorably with the portion of the MSA population residing in LMI areas.

Changes in branch locations did not adversely affect the accessibility of the bank's delivery systems. During the evaluation period, M&T opened one new branch in a middle-income census tract. M&T also closed one branch in a middle-income census tract.

Alternative delivery systems slightly enhanced the bank's performance in the York-Hanover MSA. M&T had 22 off-site ATM locations in the assessment area, of which three, or 14%, were located in LMI areas.

The bank's hours and services were tailored to the needs and convenience of the assessment area, including LMI areas. Of the 31 branches in the MSA, 26 have either early morning or late evening hours and 24 have Saturday hours.

Community Development Services	
Type	#
Mortgage Education Seminars	21
Financial Literacy Seminars	7
Technical Assistance (eg. Advisory Board)	6

**Community Development Services:** The bank provided a relatively high level of community development services in the York-Hanover MSA. The table to the left shows services the bank provided during the evaluation period. A majority of the seminars covered mortgage education topics.

## METROPOLITAN AREA

### (FULL REVIEW)

#### MSA 25420 (HARRISBURG-CARLISLE, PA)

#### DESCRIPTION OF INSTITUTION'S OPERATIONS

As of December 31, 2005, M&T maintained 32 branches in MSA 25420 (Harrisburg-Carlisle, PA), or 16% of all its retail branches in Pennsylvania. Based on deposit data reported to the Federal Deposit Insurance Corporation as of June 30, 2005, these branches contained \$1.3 billion in deposits, or 18% of M&T's total branch deposits in the state. M&T is ranked first in the MSA, controlling 16% of the retail deposit market.

The Harrisburg-Carlisle MSA is a highly competitive marketplace where large super-regional banks compete with numerous community banks, savings and loan associations, credit unions and non-financial institutions. M&T's primary competitors in the MSA are PNC Bank, Sovereign Bank, Wachovia Bank, Citizens Bank of PA, Fulton Bank and Community Banks.

#### PERFORMANCE CONTEXT

##### Demographic Characteristics

M&T's assessment area consists of Cumberland and Dauphin counties in the Harrisburg-Carlisle MSA. Located in south central Pennsylvania, the core of the assessment area is the state capital of Harrisburg in Dauphin County. Twenty one of the area's 30 LMI census tracts are located in the city of Harrisburg and neighboring boroughs. The remaining nine LMI census tracts are located in Cumberland County, in the boroughs of Carlisle and Shippensburg and surrounding rural areas.

The state government is the largest employer in the MSA and lends long-term economic stability to the area. Due to its central location, Harrisburg is also a strong transportation and distribution hub. The economy is buffered by a relatively low dependence on manufacturing compared to other Pennsylvania metropolitan areas.

##### Income Characteristics

HUD median family income estimates for MSA 25420 are listed in the table at right. The 2000 Census indicates that 36% of families in the MSA are designated as LMI. Families living below the poverty level represented 6% of the total families in the assessment area.

HUD MEDIAN FAMILY INCOMES		
AREA	2004	2005
MSA 25420	\$61,400	\$61,500

Housing Characteristics

The cost of housing is rising in MSA 25420, but remains relatively affordable.

In 2005, the median price of a home in the MSA was 11% higher than 2004 as shown in the chart to the right.

MEDIAN HOME PRICE		
Area	2004	2005
MSA 25420	\$144,300	\$160,300

Source: Moody's Economv.com. Inc.

Within this assessment area, 65% of housing units are owner-occupied. In LMI tracts, the level of owner-occupancy is 44%. Just 15% of all owner occupied housing units are located in the low- and moderate-income census tracts. The city of Harrisburg has been designated both a Federal Enterprise Community and a State Enterprise Zone. Funds from these programs are earmarked to build and rehabilitate housing in depressed neighborhoods and encourage businesses to locate there with tax incentives and financing programs.

Labor, Employment and Economic Characteristics

The MSA's largest employer is federal, state and local government. Hospitals and health insurers are also significant employers. Some areas in the MSA, including parts of downtown Harrisburg, are located in Keystone Opportunity Zones (KOZ). A KOZ designation by the Commonwealth of Pennsylvania provides tax incentives for businesses locating there.

AVERAGE ANNUAL UNEMPLOYMENT RATES		
Area	2005	2004
MSA 25420	4.0%	4.4%
State of Pennsylvania	5.0%	5.4%

Source: Department of Labor

Unemployment rates for the Harrisburg-Carlisle MSA are generally low and remain lower than for the overall state.

Detailed performance context data for this assessment area is provided in the Combined Demographics Report on the next page.

### Combined Demographics Report

Assessment Area: MSA 25420

Analysis Year: 2005

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	5	4.9	4,145	3.4	1,558	37.6	21,398	17.4
Moderate-income	25	24.5	18,771	15.3	2,160	11.5	23,128	18.8
Middle-income	53	52.0	70,725	57.6	2,788	3.9	29,217	23.8
Upper-income	19	18.6	29,113	23.7	621	2.1	49,011	39.9
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>102</b>	<b>100.0</b>	<b>122,754</b>	<b>100.0</b>	<b>7,127</b>	<b>5.8</b>	<b>122,754</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>			<b>Rental</b>		<b>Vacant</b>	
		#	%	%	#	%	#	%
Low-income	7,671	2,193	1.7	28.6	4,245	55.3	1,233	16.1
Moderate-income	37,591	17,598	13.8	46.8	15,973	42.5	4,020	10.7
Middle-income	111,031	75,502	59.1	68.0	29,935	27.0	5,594	5.0
Upper-income	41,791	32,458	25.4	77.7	7,781	18.6	1,552	3.7
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>198,084</b>	<b>127,751</b>	<b>100.0</b>	<b>64.5</b>	<b>57,934</b>	<b>29.2</b>	<b>12,399</b>	<b>6.3</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	409	2.4	339	2.3	36	2.1	34	3.3
Moderate-income	2,823	16.2	2,320	15.8	250	14.7	253	24.5
Middle-income	10,678	61.4	9,042	61.6	1,037	61.2	599	58.0
Upper-income	3,489	20.1	2,971	20.2	372	21.9	146	14.1
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>17,399</b>	<b>100.0</b>	<b>14,672</b>	<b>100.0</b>	<b>1,695</b>	<b>100.0</b>	<b>1,032</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>84.3</b>		<b>9.7</b>		<b>5.9</b>
	<b>Total Farms by Tract</b>	<b>Farms by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	1	0.2	0	0.0	1	50.0	0	0.0
Moderate-income	15	2.7	15	2.8	0	0.0	0	0.0
Middle-income	460	84.2	459	84.4	1	50.0	0	0.0
Upper-income	70	12.8	70	12.9	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>546</b>	<b>100.0</b>	<b>544</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
<b>Percentage of Total Farms:</b>				<b>99.6</b>		<b>0.4</b>		<b>0.0</b>

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 25420 (HARRISBURG-CARLISLE, PA)**

**LENDING TEST**

Overall performance on the lending test was good.

**Lending Activity:**

M&T’s responsiveness to retail credit needs in this MSA 25420 (Harrisburg-Carlisle, PA) was good. The bank ranked first in deposits (16% market share) compared to 11<sup>th</sup> in home purchase lending (market share 3%), 17<sup>th</sup> in refinance lending (market share 2%) and fifth in small business lending (market share 5%).

Peer Comparisons based on the number of loans per billion dollars of deposits indicates that the bank’s lending volume is consistent with the performance of similarly situated banks.

**Geographic Distribution:**

The geographic distribution of loans in this assessment area was excellent. This is based on an excellent distribution of home purchase and small business loans in LMI areas and a good distribution of refinance loans. The table below summarizes the performance related to lending in LMI census tracts. The conclusion for refinancings in low-income tracts reflects limited lending opportunities supported by the performance of the market aggregate.

<b>MSA 25420 (HARRISBURG-CARLISLE, PA)</b>				
<b>Product</b>	<b>Low-income Tracts</b>		<b>Moderate-income Tracts</b>	
	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>
Home Purchase	Excellent	Significantly above	Excellent	Similar
Refinance	Adequate	Slightly below	Good	Slightly below
Small Business	Excellent	Significantly above	Excellent	Above

**Distribution by Borrower Income and Revenue Size of the Business:**

Lending performance in this assessment area was good based on adequate levels of lending to low-income borrowers and small businesses and an excellent level of lending to moderate-income borrowers. The following table summarizes the performance related to lending to LMI borrowers.

<b>MSA 25420 (HARRISBURG-CARLISLE, PA)</b>				
<b>Product</b>	<b>Low-income Borrowers</b>		<b>Moderate-income Borrowers</b>	
	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>
Home Purchase	Good	Above	Excellent	Above
Refinance	Poor	Similar	Excellent	Above

The distribution of loans to businesses of different sizes was adequate when considering the proportion of loans to borrowers with GAR of \$1 million or less. Lending to businesses with GAR of \$1 million or less was above the aggregate and lending in amounts below \$100 thousand was below the aggregate.

**Community Development Lending:**

The bank’s community development lending performance in MSA 25420 (Harrisburg-Carlisle, PA) was adequate. The two loans totaled only \$180 thousand, or less than 1% of M&T’s community development lending in Pennsylvania. All community development loans were to a community services organization that provided affordable health care to LMI children.

**INVESTMENT TEST**

M&T’s level of qualified investments in this MSA was excellent, totaling \$1 million or 6% of statewide activity. The activity exhibited excellent responsiveness to assessment credit needs as detailed in the table below:

<b>INVESTMENT PURPOSE</b>	<b>#</b>	<b>\$('000s)</b>
Affordable Housing	25	442
Community Services	23	562
Economic Development	5	48
Revitalize & Stabilize	0	0
<b>Total</b>	<b>53</b>	<b>1,052</b>

Examples of qualified investment activity included:

- Multiple grants totaling \$100 thousand to an organization that provide tuition assistance to low-income students. The grant assisted approximately 100 nursing students; and
- Multiple LIHTCs totaling \$366 thousand to support affordable housing throughout the MSA.

## SERVICE TEST

Performance under the service test was outstanding in MSA 25420 (Harrisburg-Carlisle, PA), based primarily on M&T's excellent branch distribution in the assessment area.

### Retail Services:

The bank's delivery systems were readily accessible to all portions of the assessment area, including LMI areas. M&T operates 32 branches, of which 12, or 38%, are located in LMI areas. The percentage compares very favorably with the percentage of the population located in LMI census tracts.

The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems. During the evaluation period, M&T closed three branches in this assessment area. Although two of the closed branches were located in LMI census tracts in the city of Harrisburg, M&T operates 12 other branches in LMI census tracts in this assessment area, including three in the city of Harrisburg.

Alternative delivery systems slightly enhanced the bank's performance in the Harrisburg-Carlisle MSA. M&T had 30 off-site ATM locations in the assessment area, of which three, or 10%, were located in LMI areas. The bank's hours and services were tailored to the needs and convenience of the assessment area, including LMI areas. Of the 32 branches in the MSA, 30 have either early morning or late evening hours, and 29 have Saturday hours.

Community Development Services	
Type	#
Mortgage Education Seminars	29
Financial Literacy Seminars	4
Technical Assistance (eg. Advisory Board)	5

### Community Development Services:

The bank provided a relatively high level of services in the Harrisburg-Carlisle MSA. The table at right shows the type and number of services performed during the evaluation period.

# METROPOLITAN AREA

(FULL REVIEW)

## MSA 42540 (SCRANTON-WILKES BARRE, PA)

### DESCRIPTION OF INSTITUTION'S OPERATIONS

Located in northeastern Pennsylvania, MSA 42540 (Scranton-Wilkes Barre, PA) is made up of Lackawanna, Luzerne, and Wyoming Counties. The MSA is a highly competitive marketplace where large super-regional banks compete with numerous community banks, savings and loan associations, credit unions and non-financial institutions. M&T's primary competitors are PNC Bank, Wachovia Bank, Community Banks, N.A. and Citizens Bank of PA.

As of December 31, 2005, M&T maintained 18 branches in the MSA, or 9% of all its retail branches in Pennsylvania. Of the 18 branches, 16, or 89%, are located in Luzerne County in or near the cities of Wilkes-Barre, Pittston and Hazelton. Based on deposits reported to the Federal Deposit Insurance Corporation as of June 30, 2005, M&T ranks second in MSA 42540, controlling nearly 13% of the retail deposit market share. M&T's branches hold approximately \$1.3 billion or 18% of the bank's deposits in Pennsylvania.

### PERFORMANCE CONTEXT

#### Demographic Characteristics

According to the 2000 Census, the MSA has a population of approximately 561 thousand, which reflects a decline of 2% since 1990. Weak demographic trends have been the norm for the Scranton MSA and the declining and aging population has limited the area's economic potential. The MSA's relatively high proportion of senior citizens (20%), combined with the declining population, reduces demand for home purchase loans and refinancings, which creates some obstacles to lending.

Fourteen of the area's 22 LMI census tracts are located in Luzerne County in the cities of Wilkes-Barre, Hazelton and Pittston and in areas near Wilkes-Barre. The remaining eight LMI census tracts are located in Lackawanna County, including seven in the city of Scranton, the largest urban area in the MSA, and one in the city of Carbondale.

#### Income Characteristics

HUD-adjusted median family income figures for MSA 42540 are listed in the table at right. The 2000 Census indicates that 38% of families in the MSA are designated as LMI. Families living below the poverty level represented 8% of the total families in the assessment area.

HUD MEDIAN FAMILY INCOME		
AREA	2004	2005
MSA 42540	\$51,000	\$51,300

Housing Characteristics

Of the 253 thousand housing units in MSA 42540, 63% are owner-occupied. In LMI tracts, the level of owner-occupancy is 42%. Approximately 10% of housing units in the MSA are vacant, which discourages lending for new housing construction. Any new construction that does occur is concentrated in the MSA's more rural areas.

AVERAGE HOME PRICE		
Area	2005	2004
Northeastern PA Region	\$201,000	\$164,000

Source: Pennsylvania Association of Realtors. The northeast region includes the Scranton MSA, plus 7 neighboring counties.

Although the cost of housing in MSA 42540 remains relatively low, the cost is increasing. According to the Pennsylvania Association of Realtors, in December 2005, the average home in northeastern Pennsylvania cost \$201,000, 23% higher than December 2004.

Labor, Employment and Economic Characteristics

Scranton and nearby Wilkes-Barre are centers of government, higher education, health services, retailing, and distribution in northeastern Pennsylvania. This has eased but not entirely offset the impact of the long-term decline in manufacturing employment. Manufacturing represents 14% of the MSA's employment, compared to almost 20% in 2001. These manufacturing jobs have been replaced by jobs in low-paying industries and occupations.

AVERAGE ANNUAL UNEMPLOYMENT RATES		
Area	2005	2004
MSA 42540	5.5%	6.4%
State of Pennsylvania	5.0%	5.4%

As shown in the table at left, unemployment in the MSA remained above the state average for both years in the examination period.

Detailed performance context data for this assessment area is provided in the Combined Demographics Report on the next page.

### Combined Demographics Report

Assessment Area: MSA 42540

Analysis Year: 2005

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	1	0.6	255	0.2	82	32.2	28,136	18.9
Moderate-income	21	12.5	14,489	9.8	2,419	16.7	27,777	18.7
Middle-income	125	74.4	109,492	73.7	8,143	7.4	33,966	22.9
Upper-income	21	12.5	24,284	16.4	723	3.0	58,641	39.5
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>168</b>	<b>100.0</b>	<b>148,520</b>	<b>100.0</b>	<b>11,367</b>	<b>7.7</b>	<b>148,520</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>			<b>Rental</b>		<b>Vacant</b>	
		#	%	%	#	%	#	%
Low-income	1,558	46	0.0	3.0	1,206	77.4	306	19.6
Moderate-income	28,526	12,517	7.9	43.9	12,692	44.5	3,317	11.6
Middle-income	187,722	118,813	74.9	63.3	49,394	26.3	19,515	10.4
Upper-income	34,955	27,287	17.2	78.1	5,712	16.3	1,956	5.6
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>252,761</b>	<b>158,663</b>	<b>100.0</b>	<b>62.8</b>	<b>69,004</b>	<b>27.3</b>	<b>25,094</b>	<b>9.9</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	649	3.2	521	3.1	79	4.2	49	4.5
Moderate-income	1,870	9.3	1,618	9.5	159	8.4	93	8.5
Middle-income	14,271	71.1	12,102	70.9	1,390	73.3	779	71.0
Upper-income	3,274	16.3	2,830	16.6	268	14.1	176	16.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>20,064</b>	<b>100.0</b>	<b>17,071</b>	<b>100.0</b>	<b>1,896</b>	<b>100.0</b>	<b>1,097</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>85.1</b>		<b>9.4</b>		<b>5.5</b>
	<b>Total Farms by Tract</b>	<b>Farms by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	4	1.3	3	1.0	1	14.3	0	0.0
Middle-income	241	79.3	235	79.4	5	71.4	1	100.0
Upper-income	59	19.4	58	19.6	1	14.3	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>304</b>	<b>100.0</b>	<b>296</b>	<b>100.0</b>	<b>7</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>				<b>97.4</b>		<b>2.3</b>		<b>0.3</b>

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 42540 (SCRANTON-WILKES BARRE, PA)**

**LENDING TEST**

Overall lending test performance in this assessment area was good.

**Lending Activity:**

M&T's lending activity showed good responsiveness to the retail credit needs of MSA 42540 (Scranton-Wilkes Barre, PA). The bank ranked second in deposits (market share 13%) compared to eighth in home purchase lending (market share 3%), ninth in refinance lending (market share 2%) and eighth in small business lending (market share 4%).

Peer Comparisons based on the number of loans per billion dollars of deposits indicates that the bank's lending volume is consistent with the performance of similarly situated banks.

**Geographic Distribution:**

Geographic distribution for this assessment area was good. This conclusion is based on good lending distribution in moderate-income census tracts. An analysis was not conducted in low-income tracts because lending opportunities are severely limited in light of the few owner-occupied housing units in the single low-income census tract. The following table summarizes the performance related to lending in the moderate-income census tracts.

<b>MSA 42540 (SCRANTON-WILES-BARRE, PA)</b>				
<b>Product</b>	<b>Low-income Tracts</b>		<b>Moderate-income Tracts</b>	
	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>
Home Purchase	N/A	N/A	Good	Below
Refinance	N/A	N/A	Adequate	Below
Small Business	N/A	N/A	Good	Similar

**Distribution by Borrower Income and Revenue Size of Business:**

Lending performance in this assessment area was good based on adequate levels of lending to low-income borrowers and small businesses and a good level of lending to moderate-income borrowers. The conclusions reflects the limited demand for home purchase and refinance loans from low income borrowers noted in the Performance Context section and reflected in the aggregate performance. The following table summarizes the performance related to lending to LMI borrowers.

<b>MSA 42540 (SCRANTON-WILKES BARRE, PA)</b>				
<b>Product</b>	<b>Low-income Borrowers</b>		<b>Moderate-income Borrowers</b>	
	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>
Home Purchase	Adequate	Similar	Good	Slightly Below
Refinance	Adequate	Slightly Below	Good	Slightly Below

The distribution of loans to businesses of different sizes was adequate when considering the proportion of loans to borrowers with GAR of \$1 million or less. Lending to businesses with GAR of \$1 million or less was above the aggregate and lending in amounts of \$100 thousand or less was slightly below the aggregate.

**Community Development Lending:**

M&T’s community development lending in MSA 42540 (Scranton-Wilkes Barre, PA) was good, totaling \$14 million, or 15% of the bank’s community development lending in Pennsylvania. Performance in the MSA demonstrated a good response to the community credit needs of the MSA.

Community development lending was primarily used to revitalize and stabilize the downtown area of Wilkes-Barre through an \$8.1 million construction loan for an office building which will be occupied by the Pennsylvania Department of Labor and Industry. The property is located in a KOZ.

**INVESTMENT TEST**

The level of qualified investments in this MSA was adequate, totaling \$120 thousand. Investments exhibited adequate responsiveness to assessment area credit needs. The qualified investments were in the form of grants to organizations that support affordable housing and community services. The table below shows the breakdown of the qualified investments.

<b>INVESTMENT PURPOSE</b>	<b>#</b>	<b>\$('000s)</b>
Affordable Housing	3	12
Community Services	14	108
Economic Development	0	0
Revitalize & Stabilize	0	0
<b>Total</b>	<b>17</b>	<b>120</b>

## SERVICE TEST

M&T's performance under the service test was outstanding, based primarily on the bank's excellent branch distribution in the Scranton-Wilkes Barre MSA.

**Retail Services:** The bank's delivery systems were readily accessible to all portions of the assessment area, including LMI areas. Overall, M&T has 18 branches in MSA 42540, of which 2 or 11% were located in LMI areas. This compares favorably with the portion of the MSA population residing in LMI areas.

Changes in branch locations did not adversely affect the accessibility of the bank's delivery systems. M&T did not open or close any branches in this assessment area during the evaluation period.

Alternative delivery systems did not enhance the bank's performance in the assessment area. M&T had nine off-site ATM locations in the assessment area; however, none were located in LMI areas.

The bank's hours and services were tailored to the needs and convenience of the assessment area, including LMI areas. Of the 18 branches in the MSA, 16 have either early morning or late evening hours and 12 have Saturday hours.

Community Development Services	
Type	#
Mortgage Education Seminars	52
Financial Literacy Seminars	2
Technical Assistance (eg. Advisory Board)	6

**Community Development Services:** The bank provided a relatively high level of community development services in the MSA. The table at left shows the number and type of services the bank performed during the evaluation period. Most of the seminars covered affordable mortgage topics.

## **NON-METROPOLITAN AREA**

**(FULL REVIEW)**

### **PENNSYLVANIA NON-MSA GROUP A (COLUMBIA, SCHUYLKILL, NORTHUMBERLAND, MONTOUR, BRADFORD, SULLIVAN, SNYDER AND UNION COUNTIES)**

#### **DESCRIPTION OF INSTITUTION'S OPERATIONS**

This assessment area group is made up of eight contiguous counties located in central Pennsylvania. The area is a moderately competitive marketplace where a few super-regional banks compete with community banks, savings banks and non-financial institutions. M&T's primary competitors are Wachovia Bank, Sovereign Bank, Citizens Bank and Northern Bank.

As of December 31, 2005, M&T maintained 30 branches in the assessment area, or 15% of its retail branches in Pennsylvania. These branches held approximately \$782 million, or 11% of the bank's deposits in Pennsylvania, as of June 30, 2005. M&T ranked first in the assessment area, controlling 13% of the retail deposit market share.

#### **PERFORMANCE CONTEXT**

##### *Demographic Characteristics*

This group of non-metropolitan counties located in central Pennsylvania is a rural area of the state where the original core industry was anthracite coal mining. The area remains rural with large portions of the land in Union, Snyder and Sullivan counties designated as state forest land. Through the center of the area lies the Susquehanna River, and collectively Northumberland, Snyder and Union Counties are considered the Susquehanna Valley. The three valley counties contain 37% of the population.

The largest county in terms of population is Schuylkill County, where 32% of the assessment area's population resides. LMI census tracts are concentrated in Schuylkill, Northumberland and Columbia counties, while Montour, Bradford, Sullivan, Snyder, and Union Counties contain no LMI tracts. However, half of the census tracts in Montour County are considered distressed non-metropolitan middle-income census tracts. In addition, all of Sullivan County is considered to be an underserved non-metropolitan area.

Income Characteristics

During the examination period, incomes increased minimally, or not at all, in these areas. The median income in the entire assessment area, derived by calculating the median of the amounts shown in the table at right, is \$48,386 for 2005, which is lower than income in most other assessment areas in the state.

The 2000 Census indicates that 37% of families in the MSA are designated as LMI.

HUD MEDIAN FAMILY INCOME		
Area	2005	2004
Sayre Micropolitan Area (Bradford County)	\$47,350	\$47,300
Bloomsburg-Berwick Micropolitan Area (Columbia and Montour Counties)	\$49,200	\$49,200
Sunbury Micropolitan Area (Northumberland County)	\$46,200	\$46,000
Pottsville Micropolitan Area (Schuylkill County)	\$48,100	\$48,000
Selinsgrove Micropolitan Area (Snyder County)	\$48,600	\$48,600
Sullivan County	\$43,600	\$43,600
Lewisburg Micropolitan Area (Union County)	\$55,650	\$55,200

Housing Characteristics

AVERAGE HOME PRICES		
Area	2004	2005
North Central Region, PA	\$104,000	\$103,000

Source: Pennsylvania Association of Realtors

2004. The north central region includes all of the counties in the assessment area with the exception of Schuylkill County. Overall, the home prices and median family income levels make this region affordable.

The 2000 Census reveals that 66% of housing units in these non-MSA counties are owner-occupied. As noted in the table at left, the average home price in the north central region was \$103 thousand in 2005, a 1% decrease from

Labor, Employment and Economic Characteristics

Much of this area has historically relied on coal and river transport, but the economy has diversified over the years. Many specialized manufacturers are based in Schuylkill County, which has easy access to many northeastern population centers to attract distribution and warehousing businesses. Major employers throughout the assessment area include hospitals, schools and universities, distribution centers, and local governments.

Unemployment rates vary widely throughout the area as indicated in the table to the right. The

AVERAGE ANNUAL UNEMPLOYMENT RATES		
Area	2005	2004
Bradford County	5.0%	5.4%
Columbia County	5.7%	6.6%
Montour County	4.4%	5.2%
Northumberland County	5.6%	6.6%
Schuylkill County	5.9%	7.0%
Snyder County	4.3%	4.8%
Sullivan County	5.6%	5.9%
Union County	5.2%	5.4%
State of Pennsylvania	5.0%	5.4%

Susquehanna Valley's Montour and Snyder counties fared better than other counties, but all of them improved during the examination period, reflecting general improvement in the economy.

Detailed performance context data for this assessment area is provided in the Combined Demographics Report on the next page.

### Combined Demographics Report

Assessment Area: Non MSA PA Group A

Analysis Year: 2005

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	21,421	17.0
Moderate-income	11	9.8	10,753	8.5	1,427	13.3	24,827	19.7
Middle-income	89	79.5	101,072	80.3	7,304	7.2	31,029	24.7
Upper-income	12	10.7	13,980	11.1	420	3.0	48,528	38.6
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>112</b>	<b>100.0</b>	<b>125,805</b>	<b>100.0</b>	<b>9,151</b>	<b>7.3</b>	<b>125,805</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>			<b>Rental</b>		<b>Vacant</b>	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	22,128	11,679	8.4	52.8	7,032	31.8	3,417	15.4
Middle-income	167,535	112,184	80.4	67.0	34,828	20.8	20,523	12.2
Upper-income	20,922	15,756	11.3	75.3	3,831	18.3	1,335	6.4
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>210,585</b>	<b>139,619</b>	<b>100.0</b>	<b>66.3</b>	<b>45,691</b>	<b>21.7</b>	<b>25,275</b>	<b>12.0</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	1,613	10.9	1,370	10.8	122	10.2	121	12.6
Middle-income	11,119	75.1	9,535	75.4	876	73.5	708	73.9
Upper-income	2,067	14.0	1,744	13.8	194	16.3	129	13.5
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>14,799</b>	<b>100.0</b>	<b>12,649</b>	<b>100.0</b>	<b>1,192</b>	<b>100.0</b>	<b>958</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>85.5</b>		<b>8.1</b>		<b>6.5</b>
	<b>Total Farms by Tract</b>	<b>Farms by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	2	0.2	2	0.2	0	0.0	0	0.0
Middle-income	1,043	89.0	1,021	89.2	21	80.8	1	100.0
Upper-income	127	10.8	122	10.7	5	19.2	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>1,172</b>	<b>100.0</b>	<b>1,145</b>	<b>100.0</b>	<b>26</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>				<b>97.7</b>		<b>2.2</b>		<b>0.1</b>

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN NON-MSA GROUP A (COLUMBIA, SCHUYLKILL, NORTHUMBERLAND, MONTOUR, BRADFORD, SULLIVAN, SNYDER AND UNION COUNTIES)**

**LENDING TEST**

Overall lending test performance in this assessment area was good.

**Lending Activity:**

M&T's responsiveness to retail credit needs in Non-MSA Group A was good. The bank ranked first in deposit market share compared to a market share rank of eighth in home purchase lending, ninth in refinance lending and eighth in small business lending. Peer Comparisons based on the number of loans per billion dollars of deposits indicates that the bank's performance compares favorably with the lending volumes of similarly situated banks.

**Geographic Distribution:**

Geographic distribution for this assessment area was good. This assessment area had no low-income tracts, according to the 2000 Census, therefore lending in low-income geographies was not analyzed. Overall distribution in moderate-income tracts was good. The following table summarizes the performance related to lending in the moderate-income census tracts.

<b>PA NON-MSA GROUP A</b>				
<b>Product</b>	<b>Low-income Tracts</b>		<b>Moderate-income Tracts</b>	
	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>
Home Purchase	N/A	N/A	Good	Slightly below
Refinance	N/A	N/A	Adequate	Below
Small Business	N/A	N/A	Excellent	Above

**Distribution by Borrower Income and Revenue Size of the Business:**

Lending performance in this assessment area was adequate based on adequate levels of lending to low-income borrowers and small businesses and a good level of lending to moderate-income borrowers. The following table summarizes the performance related to lending to LMI borrowers.

<b>PA NON-MSA GROUP A</b>				
<b>Product</b>	<b>Low-income Borrowers</b>		<b>Moderate-income Borrowers</b>	
	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>
Home Purchase	Good	Above	Excellent	Similar
Refinance	Poor	Slightly Below	Good	Slightly Below

The distribution of loans to businesses of different sizes was adequate when considering the proportion of loans to borrowers with GAR of \$1 million or less. Lending to businesses with GAR of \$1 million or less was above the aggregate and lending in amounts of \$100 thousand or less was similar to the aggregate.

**Community Development Lending:**

Community development lending in Non-MSA Group A was excellent and totaled \$16 million, or 18% of community development lending in Pennsylvania. Performance in Non MSA Group A demonstrated an excellent responsive to the community development credit needs of the assessment area. Community development lending targeted affordable housing (74%), economic development (15%) and community services (11%).

New loans included an \$800 thousand line of credit to an economic development corporation that is constructing an office building in a Keystone Economic Development Zone located in a moderate-income area of Schuylkill.

**INVESTMENT TEST**

M&T's investment performance in Non-MSA Group A was good, totaling \$710 thousand. Investments exhibited good responsiveness to assessment area credit needs as detailed in the table below:

<b>INVESTMENT PURPOSE</b>	<b>#</b>	<b>\$('000s)</b>
Affordable Housing	4	673
Community Services	9	37
Economic Development	0	0
Revitalize & Stabilize	0	0
<b>Total</b>	<b>13</b>	<b>710</b>

The qualified investments were concentrated in low-income housing tax credits totaling \$671 thousand to support affordable rental housing. In addition, multiple grants totaled \$39 thousand to organizations that support affordable housing and community services to low- and moderate-income individuals.

## SERVICE TEST

Performance under the service test was outstanding based primarily on M&T's excellent branch distribution in the Non-Metropolitan Group A area in central Pennsylvania.

**Retail Services:** The bank's delivery systems were readily accessible to all portions of the assessment area, including LMI areas. Overall, M&T has 30 branches in the Non-MSA Group A assessment area, of which five, or 17%, are located in LMI areas. This compares very favorably with the percentage of the assessment area population residing in LMI census tracts.

Changes in branch locations did not adversely affect the accessibility of the bank's delivery systems. Although M&T did not open any new branches in this assessment area during the evaluation period, the bank closed one branch in a middle-income census tract in Snyder County. Snyder County contains no LMI areas and is not considered to be underserved or distressed.

Alternative delivery systems slightly enhanced the bank's performance in this Non-MSA assessment area group. M&T had 23 off-site ATM locations in the assessment area, of which two, or 9%, were located in LMI areas.

The bank's hours and services were tailored to the needs and convenience of the assessment area, including LMI areas. Of the 30 branches in the MSA, 23 have either early morning or late evening hours and 24 have Saturday hours.

Community Development Services	
Type	#
Mortgage Education Seminars	26
Financial Literacy Seminars	1
Small Business Seminars	2
Technical Assistance (eg. Advisory Board)	6

**Community Development Services:** The bank provided an adequate level of community development services in the assessment area. The table to the left shows the number and type of services the bank provided during the evaluation period. Most of the seminars covered mortgage education topics.

# METROPOLITAN AREA

## (FULL REVIEW)

### MSA 11020 (ALTOONA, PA)

#### DESCRIPTION OF INSTITUTION'S OPERATIONS

As of December 31, 2005, M&T operated 11 branches in the Altoona MSA, representing 6% of its branches in the state of Pennsylvania. Based on deposits reported to the Federal Deposit Insurance Corporation as of June 30, 2005, these branches contained approximately \$465 million in deposits, or 6% of the bank's total branch deposits in the State. M&T ranks first in MSA 11020, controlling 26% of the retail deposit market.

There are 13 banks operating branches in the Altoona MSA, primarily community banks. Five of these banks control 83% of the deposits in the MSA. M&T's primary competitors in the assessment area are Citizens Bank of PA, Omega Bank, and First Commonwealth Bank.

#### PERFORMANCE CONTEXT

##### Demographic Characteristics

The assessment area consists of the entire Altoona MSA, which encompasses Blair County, located in the Allegheny Mountains in western central Pennsylvania. The city of Altoona is Blair County's most populous city, containing 38% of the county population. The population of both the city and county has remained fairly stable, although a relatively high proportion of residents are senior citizens (17%). The high proportion of seniors reduces demand for home purchase loans and refinancings, as their mortgage lending needs are limited.

Of the MSA's seven LMI census tracts, five are located in the city of Altoona, one in Tyrone in northern Blair County and one in rural Claysburg in the southern part of the county. The city of Altoona has been designated a State Enterprise Zone. Funds from these programs are earmarked to build and rehabilitate housing in depressed neighborhoods and encourage businesses to locate there with tax incentives and financing programs. The city also offers housing rehabilitation assistance for income eligible homeowners.

##### Income Characteristics

HUD median family income figures for the Altoona MSA are noted in the table at right. The median family incomes are the lowest of the MSA areas in Pennsylvania under full review. The 2000 Census

indicates that 37% of families in the MSA are designated as low- or moderate-income. Families living below the poverty level represented 9% of the total families in the assessment area.

HUD MEDIAN FAMILY INCOMES		
AREA	2004	2005
MSA 11020	\$46,700	\$46,750

Housing Characteristics

The cost of housing rose slightly in MSA 11020, but remains low compared to other eastern metropolitan areas. In 2005, the average home in the Altoona MSA cost \$90 thousand, 5% higher than 2004. Single family homes in Altoona remain one of the most affordable in the nation.

<b>AVERAGE HOME PRICE</b>		
<b>Area</b>	<b>2004</b>	<b>2005</b>
MSA 11020	\$86,000	\$90,000

Source: Moody's Economy.com, Inc.

Of the 55 thousand housing units in MSA 11020, 68% are owner-occupied. In LMI tracts, the level of owner-occupancy is 49%. Just 14% of all owner occupied housing units are located in the LMI census tracts.

Labor, Employment and Economic Characteristics

Unemployment rates in the Altoona MSA decreased but are slightly above the state average, as shown in the table to the right.

<b>AVERAGE ANNUAL UNEMPLOYMENT RATES</b>		
<b>Area</b>	<b>2004</b>	<b>2005</b>
MSA 11020	5.4%	5.2%
State of Pennsylvania	5.4%	5.0%

The Altoona MSA's transition to a service economy has been slow. Although many residents are still employed in specialty manufacturing, such as food processing, the sector continues to lose jobs. The aging of the population and lack of highly skilled labor hamper the area's growth. The silver lining in this labor market is the education/healthcare sector which continues to expand. With a population comprising 17% senior citizens, this industry has become an important part of the economy. At present it provides 16% of total employment in the MSA.

Detailed performance context data for this assessment area is provided in the Combined Demographics Report on the next page.

### Combined Demographics Report

Assessment Area: MSA 11020

Analysis Year: 2005

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	1	2.9	189	0.5	75	39.7	6,393	18.1
Moderate-income	6	17.6	5,501	15.6	1,080	19.6	6,719	19.1
Middle-income	25	73.5	26,249	74.4	1,824	6.9	8,629	24.5
Upper-income	2	5.9	3,328	9.4	222	6.7	13,526	38.4
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>34</b>	<b>100.0</b>	<b>35,267</b>	<b>100.0</b>	<b>3,201</b>	<b>9.1</b>	<b>35,267</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>			<b>Rental</b>		<b>Vacant</b>	
		#	%	%	#	%	#	%
Low-income	1,293	62	0.2	4.8	1,024	79.2	207	16.0
Moderate-income	9,375	5,176	13.8	55.2	3,336	35.6	863	9.2
Middle-income	39,505	28,669	76.3	72.6	8,587	21.7	2,249	5.7
Upper-income	4,888	3,654	9.7	74.8	1,010	20.7	224	4.6
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>55,061</b>	<b>37,561</b>	<b>100.0</b>	<b>68.2</b>	<b>13,957</b>	<b>25.3</b>	<b>3,543</b>	<b>6.4</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	184	4.6	143	4.2	29	6.9	12	6.7
Moderate-income	715	17.9	610	18.0	73	17.4	32	17.9
Middle-income	2,686	67.3	2,287	67.4	277	66.1	122	68.2
Upper-income	408	10.2	355	10.5	40	9.5	13	7.3
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>3,993</b>	<b>100.0</b>	<b>3,395</b>	<b>100.0</b>	<b>419</b>	<b>100.0</b>	<b>179</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>85.0</b>		<b>10.5</b>		<b>4.5</b>
	<b>Total Farms by Tract</b>	<b>Farms by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	1	0.7	1	0.7	0	0.0	0	0.0
Moderate-income	12	8.2	12	8.5	0	0.0	0	0.0
Middle-income	128	87.7	124	87.3	4	100.0	0	0.0
Upper-income	5	3.4	5	3.5	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>146</b>	<b>100.0</b>	<b>142</b>	<b>100.0</b>	<b>4</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
<b>Percentage of Total Farms:</b>				<b>97.3</b>		<b>2.7</b>		<b>0.0</b>

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 11020 (ALTOONA, PA)**

**LENDING TEST**

Overall performance on the lending test in MSA 11020 (Altoona, PA) was good.

**Lending Activity:**

M&T’s responsiveness to retail credit needs in this MSA was excellent. The bank ranked first in deposits (market share 26%) compared to first in home purchase lending (market share 12%), third in refinance lending (market share 4%) and third in small business lending (market share 11%) behind two credit card lenders. Peer comparisons based on the number of loans per billion dollars of deposits indicates that the bank’s lending volume compares favorably with the performance of similarly situated banks.

**Geographic Distribution:**

Geographic distribution for this assessment area was excellent. This conclusion is based on excellent overall distribution in moderate-income census tracts. The one low-income tract in this assessment area had too few owner-occupied housing units to conduct a meaningful HMDA-related lending analysis. However, small business lending reflected good penetration in the low-income tract. The following table summarizes the performance related to lending in the LMI census tracts.

<b>MSA 11020 (ALTOONA, PA)</b>				
<b>Product</b>	<b>Low-income Tracts</b>		<b>Moderate-income Tracts</b>	
	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>
Home Purchase	N/A	N/A	Excellent	Slightly below
Refinance	N/A	N/A	Good	Slightly below
Small Business	Good	Similar	Excellent	Significantly above

**Distribution by Borrower Income and Revenue Size of the Business:**

Lending performance in this assessment area was good based on a good level of lending to low-income borrowers, an excellent level of lending to moderate-income borrowers, and an adequate level of lending to small business borrowers. The low-income conclusion for refinance loans reflects consideration of the limited opportunities to lend as noted in the Performance Context section and reflected in the assessment area performance. The following table summarizes the performance related to lending to LMI borrowers.

<b>MSA 11020 (ALTOONA, PA)</b>				
<b>Product</b>	<b>Low-income Borrowers</b>		<b>Moderate-income Borrowers</b>	
	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>
Home Purchase	Excellent	Significantly Above	Excellent	Above
Refinance	Adequate	Slightly Below	Good	Similar

The distribution of loans to businesses of different sizes was adequate when considering the proportion of loans to borrowers with GAR of \$1 million or less. Lending to businesses with GAR of \$1 million or less was similar to the aggregate and lending in amounts less than \$100 thousand was below the aggregate.

**Community Development Lending:**

The bank’s community development lending performance in MSA 11020 (Altoona, PA) was good. Community development lending in MSA 11020 totaled \$19 million or 20% of community development lending in Pennsylvania.

Community development lending activity included one loan for \$13 million in a HUD designated neighborhood revitalization strategy area for the construction of a medical/retail mall. The property is located in a moderate-income area within Altoona. The remaining loan supports economic development.

**INVESTMENT TEST**

The volume of qualified investments in this MSA was adequate, totaling \$161 thousand. Investments were made in organizations that support affordable housing, community services and economic development. Investments exhibited adequate responsiveness to assessment area credit needs, as detailed in the table below.

<b>INVESTMENT PUPOSE</b>	<b>#</b>	<b>\$('000s)</b>
Affordable Housing	5	36
Community Services	7	15
Economic Development	4	110
Revitalize & Stabilize	0	0
<b>Total</b>	<b>16</b>	<b>161</b>

**SERVICE TEST**

M&T’s performance under the service test was outstanding, based on the bank’s excellent branch distribution and its leadership in providing community development services in the assessment area.

**Retail Services:** The bank's delivery systems were readily accessible to all portions of the assessment area, including LMI areas. Overall, M&T has 11 branches in MSA 11020 (Altoona, PA), of which four, or 36%, are located in LMI areas. This compares very favorably to the portion of the MSA population residing in LMI areas.

Changes in branch locations did not adversely affect the accessibility of the bank's delivery systems. During the evaluation period, M&T closed one branch located in a middle-income census tract in the city of Altoona. However, M&T operates five other branches in the city, including two branches in LMI census tracts. The bank did not open any new branches in the assessment area.

Alternative delivery systems somewhat enhanced the bank's performance in the assessment area. M&T had 19 off-site ATM locations in the assessment area, of which six, or 32%, were located in LMI areas.

The bank's hours and services were tailored to the needs and convenience of the assessment area, including LMI areas. Of the 11 branches in the MSA, eight have either early morning or late evening hours and nine have Saturday hours.

Community Development Services	
Type	#
Mortgage Education Seminars	20
Financial Literacy Seminars	24
Ongoing (eg. Advisory Board)	6

**Community Development Services:** The bank is a leader in providing community development services in the Altoona MSA. The table at left shows the number and type of services the bank provided during the evaluation period. The mortgage education seminars targeted LMI borrowers and first time homebuyers.

In addition, six M&T Bank officers served as board committee members for community development organizations.

## METROPOLITAN AND NONMETROPOLITAN AREAS

(LIMITED REVIEW)

**MSA 39740 (Reading, PA)**  
**MSA 29540 (Lancaster, PA)**  
**PA Non-MSA Group C (Adams, Franklin, Huntingdon, and Bedford Counties)**  
**PA Non-MSA Group B (Monroe County)**  
**PA Non-MSA Group D (Clearfield and Clinton Counties)**  
**MSA 48700 (Williamsport, PA)**  
**MSA 44300 (State College, PA)**  
**MSA 30140 (Lebanon, PA)**  
**MSA 10900 (Allentown-Bethlehem-Easton, PA-NJ)**

Data reviewed, including performance and demographic information, can be found in the Pennsylvania tables in Appendix D. Conclusions regarding performance were compared with the overall state rating, which was based on the full-scope assessment area performance. Conclusions follow:

Assessment Area	Lending Test	Investment Test	Service Test
MSA 39740	Consistent	Consistent	Below
MSA 29540	Consistent	Above	Consistent
Non-MSA Group C	Consistent	Consistent	Exceeds
Non-MSA Group B	Below	Below	Consistent
Non-MSA Group D	Consistent	Below	Below
MSA 48700	Consistent	Consistent	Consistent
MSA 44300	Consistent	Consistent	Consistent
MSA 30140	Consistent	Consistent	Consistent
MSA10900	Consistent	Above	Consistent

## STATE OF MARYLAND

### ***CRA RATING FOR MARYLAND<sup>2</sup> SATISFACTORY***

*The lending test is rated: High Satisfactory*

*The investment test is rated: Outstanding*

*The service test is rated: High Satisfactory*

The major factors supporting the rating include:

- Adequate responsiveness to assessment area credit needs;
- Good geographic distribution of loans in the bank's assessment areas;
- Adequate distribution of loans among individuals of different income levels and businesses of different sizes;
- An excellent level of community development lending;
- An excellent level of qualified investments; and
- Reasonably accessible delivery systems to essentially all portions of the assessment area and a relatively high level of community development services.

### **SCOPE OF EXAMINATION**

Examiners conducted a full-scope review for MSA 12580 (Baltimore-Towson, MD). Activity within the State of Maryland is heavily concentrated in this MSA, with 87% of deposits and 77% of HMDA and small business loans originated in the Maryland assessment areas during the review period.

Since MSA 12580 is the only full scope assessment area for the State of Maryland, ratings are based on performance within that MSA.

Limited -scope reviews were conducted of the following areas:

1. MSA 25180 (Hagerstown-Martinsburg, MD-WV)
2. MSA 41540 (Salisbury, MD)
3. MD Non-MSA Group D (Garrett County)
4. MD Non-MSA Group A (Caroline County, Dorchester County, Talbot County)
5. MD Non-MSA Group C (Worcester County)
6. MD Non-MSA Group B (St. Mary's County)

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<sup>2</sup> 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. See the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

## **DESCRIPTION OF INSTITUTION'S OPERATIONS**

The bank's activities in the state of Maryland make up a significant proportion of M&T's operations and were weighted accordingly when deriving overall ratings. As shown in Exhibit 1 on page BB7, the bank has 97 branches in the Maryland assessment areas, representing 15% of all branches. Maryland branches also generated 19% of deposits as of June 30, 2005 and 11% of HMDA and small business loans. Exhibit 6 on the following page summarizes activity in the Maryland assessment areas.

**Exhibit 6: Summary of Key Assessment Area Data Maryland**

	MSA 12580	MSA 25180	MSA 41540	Non-MSA Group D	Non-MSA Group A	Non-MSA Group C	Non-MSA Group B	Total for Maryland
<b>Total Population</b>	2,552,994	131,923	84,644	156,638	94,258	29,846	86,211	3,136,514
<b>Population % of AA population</b>	81%	4%	3%	5%	3%	1%	3%	100%
<b>Families</b>	658,188	34,235	21,893	8,408	26,368	13,404	22,590	785,086
<b>Families % of AA families</b>	84%	4%	3%	1%	3%	2%	3%	100%
<b>Total Census Tracts</b>	625	32	17	7	25	11	15	732
<b>Tracts % AA tracts</b>	85%	4%	2%	1%	3%	2%	2%	100%
<b>LMI tracts</b>	216	7	4	5	8	9	1	250
<b>LMI tracts % all AA LMI tracts</b>	86%	3%	2%	2%	3%	4%	0%	100%
<b>Total Owner-Occupied Units</b>	651,691	32,630	21,413	8,945	27,363	14,775	22,001	778,818
<b>Units % of AA units</b>	84%	4%	3%	1%	4%	2%	3%	100%
<b>Business Establishments</b>	91,625	4,460	2,761	1,341	4,265	2,829	2,381	109,662
<b>Bus. est. % AA bus. est.</b>	84%	4%	3%	1%	4%	3%	2%	100%
<b>Number of Branches</b>	73	11	4	3	3	2	1	97
<b>Branches % all branches</b>	75%	11%	4%	3%	3%	2%	1%	100%
<b>Branches in LMI tracts</b>	15	2	0	2	2	0	0	21
<b>LMI branches % AA LMI branches</b>	71%	10%	0%	10%	10%	0%	0%	100%
<b>Branch Deposits (\$'000s)</b>	5,390	381	174	107	82	60	34	6,228
<b>Deposits % AA deposits</b>	87%	6%	3%	2%	1%	1%	1%	100%
<b>Deposit Market Share (%) / Rank in Market</b>	12/2	22/3	13/2	18/2	5/9	5/7	4/7	NA
<b>Home Purchase Originations</b>	541	87	25	52	23	24	58	810
<b>HP originations % AA orig.</b>	67%	11%	3%	6%	3%	3%	7%	100%
<b>Refinance Originations</b>	754	165	53	70	22	28	26	1,118
<b>Refi orig. % AA orig.</b>	67%	15%	5%	6%	2%	3%	2%	100%
<b>Home Improvement Originations</b>	205	36	8	12	6	12	5	284
<b>Home Improvement orig. % AA orig.</b>	72%	13%	3%	4%	2%	4%	2%	100%
<b>Small Business Originations</b>	3237	326	112	106	74	38	16	3,909
<b>SB orig. % AA orig.</b>	83%	8%	3%	3%	2%	1%	0%	100%
<b>Combined Loan Totals</b>	4737	614	198	240	125	102	105	6121
<b>% of AA Orig.</b>	77%	10%	3%	4%	2%	2%	2%	100%

Branch numbers are as of 12/31/2005. Branch deposits and deposit market share are from the FDIC as of 6/30/05. Originations are loans reported under HMDA or CRA small business reporting for 2004 and 2005. Demographic information was obtained from the 2000 Census. Business establishments information was reported by D&B for 2004.

# METROPOLITAN AREA

(FULL REVIEW)

MSA 12580

(BALTIMORE-TOWSON, MD)

## DESCRIPTION OF INSTITUTION'S OPERATIONS

As of December 31, 2005, M&T operated 73 branches in the MSA, representing 75% of its branches in Maryland. Based on deposits reported to the Federal Deposit Insurance Corporation as of June 30, 2005, these branches contained approximately \$5.4 million in deposits, or 87% of the bank's total branch deposits in Maryland. M&T ranks second in MSA 12580, controlling 12% of the retail deposit market. Bank of America, NA is the leader in deposit market share; other top depository institutions include Mercantile-Safe & Trust, Wachovia Bank National Association and Provident Bank of Maryland.

## PERFORMANCE CONTEXT

### Demographic Characteristics

The MSA 12580 assessment area consists of the city of Baltimore and the following Maryland counties: Anne Arundel, Baltimore, Carroll, Harford, Howard, and Queen Anne. The MSA ranked nineteenth in population using Census 2000 population statistics; however, the Census also shows that the population of the city of Baltimore decreased 12% between 1990 and 2000. Counties surrounding the city had population increases. Howard County had the largest increase at over 32%.

### Income Characteristics

The 2005 and 2004 HUD-adjusted median family incomes for the MSA are listed in the accompanying table. The Baltimore-Towson MSA contains 79 low-income and 137 moderate-income census tracts. These geographies are almost entirely located in the city of Baltimore.

HUD MEDIAN FAMILY INCOME		
AREA	2005	2004
MSA 12580	\$72,150	\$68,600

The 2000 Census shows that within this market, 20% of the families are considered low-income, and 18% are moderate-income, with 7% of families subsisting below the poverty level. Within the city of Baltimore, 19% of families are considered to be living below the poverty level.

Housing Characteristics

According to the 2000 Census, 62% of MSA housing is owner-occupied. In light of income levels in the area, homeownership is difficult for moderate-income families and barely possible for low-income families. The 2000 Census reported that the median family income for the MSA was \$59,301 of which 50% would be the maximum income figure for low-income families. Mortgage industry standards consider housing that is three times annual income to be affordable. Only 32% of the area’s housing is valued under \$100,000 and thus potentially affordable for low-income residents.

<b>MEDIAN HOUSING VALUE</b>		
<b>Area</b>	<b>2004</b>	<b>2005</b>
MSA 12580	\$217,000	\$262,300

Labor, Employment and Economic Characteristics

The area economy depends on local and federal government and the service, retail trade, construction and financial industries. As shown in the table below, unemployment levels remained relatively stable during the examination period. Jobless rates for the city of Baltimore have historically been higher than those for the MSA and the state.

<b>AVERAGE ANNUAL UNEMPLOYMENT RATES</b>		
<b>Area</b>	<b>2004</b>	<b>2005</b>
MSA 12580	4.5%	4.4%
State of Maryland	4.3%	4.1%

Within the Baltimore area, numerous development projects for both commercial and residential purposes are in various stages of completion. To encourage commercial development, Baltimore offers a number of incentive programs such as Empowerment, Enterprise, and Foreign Trade Zones.

Detailed performance context data for this assessment area is provided in the Combined Demographics Report on the next page.

### Combined Demographics Report

Assessment Area: MSA 12580

Analysis Year: 2005

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	79	12.6	51,819	7.9	17,114	33.0	134,303	20.4
Moderate-income	137	21.9	125,145	19.0	15,047	12.0	116,495	17.7
Middle-income	247	39.5	265,458	40.3	10,820	4.1	147,771	22.5
Upper-income	157	25.1	215,766	32.8	4,062	1.9	259,619	39.4
Unknown-income	5	0.8	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>625</b>	<b>100.0</b>	<b>658,188</b>	<b>100.0</b>	<b>47,043</b>	<b>7.1</b>	<b>658,188</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>			<b>Rental</b>		<b>Vacant</b>	
		#	%	%	#	%	#	%
Low-income	105,275	29,684	4.6	28.2	54,073	51.4	21,518	20.4
Moderate-income	225,383	104,856	16.1	46.5	99,529	44.2	20,998	9.3
Middle-income	419,865	279,132	42.8	66.5	119,490	28.5	21,243	5.1
Upper-income	297,512	238,019	36.5	80.0	49,277	16.6	10,216	3.4
Unknown-income	11	0	0.0	0.0	11	100.0	0	0.0
<b>Total Assessment Area</b>	<b>1,048,046</b>	<b>651,691</b>	<b>100.0</b>	<b>62.2</b>	<b>322,380</b>	<b>30.8</b>	<b>73,975</b>	<b>7.1</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	4,965	5.4	4,205	5.4	486	5.2	274	7.1
Moderate-income	13,853	15.1	11,586	14.8	1,606	17.2	661	17.0
Middle-income	39,183	42.8	33,385	42.6	4,237	45.4	1,561	40.2
Upper-income	33,598	36.7	29,214	37.3	3,005	32.2	1,379	35.5
Unknown-income	26	0.0	14	0.0	7	0.1	5	0.1
<b>Total Assessment Area</b>	<b>91,625</b>	<b>100.0</b>	<b>78,404</b>	<b>100.0</b>	<b>9,341</b>	<b>100.0</b>	<b>3,880</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>85.6</b>		<b>10.2</b>		<b>4.2</b>
	<b>Total Farms by Tract</b>	<b>Farms by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	1	0.1	1	0.1	0	0.0	0	0.0
Moderate-income	41	4.1	40	4.2	1	3.8	0	0.0
Middle-income	537	54.3	522	54.7	12	46.2	3	37.5
Upper-income	410	41.5	392	41.0	13	50.0	5	62.5
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>989</b>	<b>100.0</b>	<b>955</b>	<b>100.0</b>	<b>26</b>	<b>100.0</b>	<b>8</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>				<b>96.6</b>		<b>2.6</b>		<b>0.8</b>

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 12580 (BALTIMORE-TOWSON, MD)**

**LENDING TEST**

Overall performance on the lending test in MSA 12580 (Baltimore-Towson, MD) was good.

The data used to evaluate the bank’s performance in the state assessment areas appear in the Maryland sections of the Appendix D tables. Lending activity is depicted in Maryland Table 1, geographic distribution in Maryland Tables 2-4, and borrower characteristics are depicted in Maryland Tables 5-7.

**Lending Activity:**

M&T’s overall lending activity demonstrated adequate responsiveness to the retail credit needs of MSA 12580. The bank ranked second in deposits (market share 12%) compared to a 2004 rank of 35<sup>th</sup> in home purchase lending (market share <1%), 34<sup>th</sup> in refinance lending (market share <1%) and 12<sup>th</sup> in small business lending (market share 3%) lenders. Peer Comparisons based on the number of loans per billion dollars of deposits indicates that the bank’s lending volume is consistent with the performance of similarly situated banks.

**Geographic Distribution:**

Geographic distribution for this assessment area was good based on overall good distribution in low-income census tracts and excellent distribution in moderate-income census tracts. Overall, HMDA-related lending demonstrated excellent penetration in LMI areas and small business loans showed a good distribution. The following table summarizes the performance related to lending in LMI census tracts.

<b>MSA 12580 (BALTIMORE-TOWSON, MD)</b>				
<b>Product</b>	<b>Low-income Tracts</b>		<b>Moderate-income Tracts</b>	
	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>
Home Purchase	Excellent	Significantly above	Excellent	Significantly above
Refinance	Adequate	Above	Excellent	Significantly above
Small Business	Adequate	Slightly above	Good	Slightly above

**Distribution by Borrower Income and Revenue Size of Business:**

Lending performance in this assessment area was adequate based on an adequate level of lending to low-income borrowers, good lending performance to moderate-income borrowers, and adequate performance to small businesses.

The conclusions reflect consideration for the high cost of housing noted in the Performance Context section and reflected by aggregate lending patterns. The following table summarizes the performance related to lending to LMI borrowers.

<b>MSA 12580 (Baltimore-Towson, MD)</b>				
<b>Product</b>	<b>Low-income Borrowers</b>		<b>Moderate-income Borrowers</b>	
	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>
Home Purchase	Adequate	Above	Good	Slightly Below
Refinance	Adequate	Similar	Good	Below

The distribution of loans to businesses of different sizes was adequate when considering the proportion of loans to borrowers with GAR of \$1 million or less. Lending to businesses with GAR of \$1 million or less was above the aggregate and lending in the amount of \$100 thousand or less was below the aggregate.

**Community Development Loans:**

M&T’s community development lending activity in MSA 12580 (Baltimore-Towson, MD) was excellent with 14 loan originations totaling close to \$95 million, or 65% of the bank’s Maryland community development activity.

Performance within the MSA was directed at economic development initiatives and represented 51% of community development lending activity. Affordable housing represented 20% of community development lending activity, community services 18% and revitalization and stabilization efforts 11%.

Community development lending volume exceeded the last examination when lending efforts totaled \$56 million. Performance was comparable to that of similarly situated large retail banks.

Examples of community development initiatives included:

- A \$12.3 million loan to renovate a 245 unit apartment complex located in a moderate-income area. Proposed rents will be affordable to low- and moderate-income individuals.

- A \$10 million working capital line of credit was extended to a non-profit corporation which operates over 80 programs that benefit low- and moderate-income individuals. Services include programs for the poor, homeless, senior housing, social services (i.e. child abuse victims).

## INVESTMENT TEST

M&T's investment test performance in MSA 12580 was excellent. This conclusion was supported by a comparison to similarly situated large retail banks in this assessment area. Qualified investment totaled \$34 million, or 84% of statewide activity.

Examples of the qualified investments included:

- Multiple LIHTCs totaling \$33 million to support over 500 affordable housing units throughout the MSA; and
- Multiple grants totaling \$1.7 million to organizations that support affordable housing, economic development and community services to low and moderate income individuals.

The bank's investments represent excellent responsiveness to assessment area credit needs as detailed in the table below.

INVESTMENT PURPOSE	#	\$('000s)
Affordable Housing	17	32,974
Community Services	68	1,316
Economic Development	2	20
Revitalize & Stabilize	0	0
<b>Total</b>	<b>87</b>	<b>34,310</b>

## SERVICE TEST

Performance under the service test in MSA 12580 was good based primarily on M&T's relatively high level of community development services and adequate delivery systems.

**Retail Services:** The bank's delivery systems were reasonably accessible to essentially all of the bank's assessment area, including LMI areas. Overall, M&T has 73 branches in MSA 12580, of which 15, or 21%, are located in LMI areas. In contrast, the percentage of the assessment area population located in LMI census tracts was 29%.

The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems. M&T closed four branches during the evaluation period and one of the closed branches was located in an LMI census tract in Baltimore, Maryland. However, M&T continues to operate 17 other branches in Baltimore, nine of which are located in LMI census tracts.

Community Development Services	
Type	#
Mortgage Education Seminars	76
Financial Literacy Seminars	9
Small Business Seminars	10
Technical Assistance (eg. Advisory Board)	36

Alternative delivery systems somewhat enhanced the bank's performance in the Baltimore-Towson assessment area. M&T had 133 off-site ATM locations in the assessment area, of which 37, or 28%, were located in LMI areas.

The bank's hours and services were tailored to the needs and convenience of the assessment area, including LMI areas. Of the bank's 73 branches in the MSA, 60 branches have either early morning or late evening hours, 61 branches have Saturday hours, and six have Sunday hours.

**Community Development Services:** The bank provided a relatively high level of community development services in the MSA. The table above shows the number and type of services the bank performed during the evaluation period. Most of the seminars covered mortgage education topics for LMI borrowers.

## METROPOLITAN AND NONMETROPOLITAN AREAS

### (LIMITED REVIEW)

**MSA 41540 (Salisbury, MD)**  
**MSA 25180 (Hagerstown-Martinsburg, MD-WV)**  
**MD Non-MSA Group A (Caroline-Dorchester-Talbot Counties)**  
**MD Non-MSA Group B (St. Mary's County)**  
**MD Non-MSA Group C (Worcester County)**  
**MD Non-MSA Group D (Garrett County)**

The data reviewed, including performance and demographic information, can be found in the Maryland State tables in Appendix D. Conclusions regarding performance were compared with the overall state rating, which was based on the full-scope assessment area performance. Conclusions follow:

<b>Assessment Area</b>	<b>Lending Test</b>	<b>Investment Test</b>	<b>Service Test</b>
MSA 41540	Consistent	Consistent	Below
MSA 25180	Consistent	Consistent	Consistent
Non-MSA Group A	Consistent	Consistent	Below
Non-MSA Group B	Below	Consistent	Above
Non-MSA Group C	Below	Consistent	Below
Non-MSA Group D	Consistent	Above	Below

## MULTISTATE METROPOLITAN AREA

MSA 47900

(WASHINGTON-ARLINGTON-ALEXANDRIA, DC-VA-MD-WV)

### ***CRA RATING FOR MSA 47900: OUTSTANDING***

*The lending test is rated: High satisfactory*

*The investment test is rated: Outstanding*

*The service test is rated: Outstanding*

The major factors supporting the rating include:

- Adequate responsiveness to assessment area credit needs;
- Excellent geographic distribution of loans in the bank's assessment areas;
- Good distribution of loans among individuals of different income levels and businesses of different sizes;
- An excellent level of community development lending;
- An excellent level of qualified investments; and
- Readily accessible delivery systems to geographies and individuals of different income levels.

### **SCOPE OF EXAMINATION**

A full-scope review was conducted of M&T's performance in MSA 47900.

### **DESCRIPTION OF INSTITUTION'S OPERATIONS**

M&T has 53 branches in MSA 47900 (Washington-Arlington-Alexandria, DC-VA-MD-WV), representing 8% of the bank's branches. The bank generated 5% of deposits and extended 6% of HMDA-related and small business loans in the MSA during the examination period.

M&T is the 12<sup>th</sup> largest bank in the assessment area in terms of deposits, with 1.4% of deposits as of June 30, 2006. The FDIC reported that the five largest institutions in terms of deposit market share were Wachovia Bank National Association, Bank of America, NA, Sun Trust Bank, E\*Trade Bank and Capital One FSB.

## PERFORMANCE CONTEXT

### Demographic Characteristics

The MSA 47900 assessment area consists of MD 13644 (Bethesda-Gaithersburg-Frederick, MD) and the following areas in MD 47894 (Washington-Arlington-Alexandria, DC-VA-MD-WV):

- Alexandria City, VA
- Arlington County, VA
- Calvert County, MD
- Charles County, MD
- District of Columbia, DC
- Fairfax County, VA
- Fairfax City, VA
- Falls Church City, VA
- Loudoun County, VA
- Prince George's County, MD

According to the 2000 Census, this MSA was ranked seventh in population of all MSAs; however, the Census also shows that the population level in the District of Columbia (DC) decreased by almost 6% between 1990 and 2000. Areas surrounding the district experienced increases in population. Loudoun County had the largest increase at nearly 97%. Between April 1, 2000 and July 1, 2005, Loudoun County was the second fastest growing county in the country. The area economy depends on local and federal government as well as the service, retail trade, systems integration, telecommunications and biotechnology industries.

### Income Characteristics

The 2005 and 2004 HUD-adjusted median family incomes for MD 47894 and 13644 are listed in the accompanying table.

<b>HUD MEDIAN FAMILY INCOME</b>		
<b>Metropolitan Division</b>	<b>2004</b>	<b>2005</b>
47894	\$86,300	\$82,200
13644	\$91,600	\$97,450

The MSA 47900 assessment area contains 74 low-income tracts, which are centralized in the DC and 224 moderate-income census tracts that are spread throughout the area.

The 2000 Census shows that within this market, 5% of families subsist below the poverty level. Within DC, 17% of families are considered to be living below the poverty level.

Housing Characteristics

According to the 2000 Census, 60% of the assessment area's housing is owner-occupied. In light of income levels in the area, homeownership is difficult for moderate-income families and barely possible for low-income families. The year 2000 median family income for the assessment area is \$74,958 of which 50% would be the maximum income figure for low-income families. Mortgage industry standards consider housing that is three times annual income to be affordable. Only 11% of the area's housing is valued under \$100 thousand and thus considered affordable for low-income residents.

MEDIAN HOUSING VALUE		
Area	2004	2005
MSA 47900	\$129,900	\$133,900

Labor, Employment and Economic Characteristics

The local economy of MSA 47900 is largely driven by federal procurement spending which supports the private sector. Employment opportunities are concentrated in federal government, health and education, telecommunications, manufacturing and distribution, and tourism.

AVERAGE ANNUAL UNEMPLOYMENT RATE		
Area	2004	2005
MSA 47900	3.7%	3.4%
District of Columbia	7.5%	6.5%

As shown in the table at left, unemployment levels remained relatively stable during the examination period. Jobless rates for DC were much higher than for the MSA. The 2004 unemployment rate for DC was the highest in the country.

Detailed performance context data for this assessment area is provided in the Combined Demographics Report on the next page.

### Combined Demographics Report

Assessment Area: MSA 47900

Analysis Year: 2005

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	74	8.2	49,879	4.9	14,336	28.7	200,060	19.6
Moderate-income	224	25.0	224,919	22.0	20,568	9.1	177,762	17.4
Middle-income	314	35.0	397,144	38.9	13,691	3.4	221,684	21.7
Upper-income	277	30.9	348,764	34.2	5,608	1.6	421,200	41.3
Unknown-income	8	0.9	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>897</b>	<b>100.0</b>	<b>1,020,706</b>	<b>100.0</b>	<b>54,203</b>	<b>5.3</b>	<b>1,020,706</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>			<b>Rental</b>		<b>Vacant</b>	
		#	%	%	#	%	#	%
Low-income	98,401	19,310	2.0	19.6	66,421	67.5	12,670	12.9
Moderate-income	406,646	156,072	16.0	38.4	225,416	55.4	25,158	6.2
Middle-income	618,523	411,265	42.2	66.5	183,431	29.7	23,827	3.9
Upper-income	521,928	388,936	39.9	74.5	117,168	22.4	15,824	3.0
Unknown-income	30	20	0.0	66.7	10	33.3	0	0.0
<b>Total Assessment Area</b>	<b>1,645,528</b>	<b>975,603</b>	<b>100.0</b>	<b>59.3</b>	<b>592,446</b>	<b>36.0</b>	<b>77,479</b>	<b>4.7</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	8,731	4.5	6,887	4.1	1,121	5.7	723	10.2
Moderate-income	34,664	17.9	29,978	18.0	3,308	16.8	1,378	19.5
Middle-income	71,312	36.9	61,917	37.2	7,187	36.5	2,208	31.2
Upper-income	75,784	39.2	65,639	39.4	7,622	38.7	2,523	35.6
Unknown-income	2,916	1.5	2,197	1.3	468	2.4	251	3.5
<b>Total Assessment Area</b>	<b>193,407</b>	<b>100.0</b>	<b>166,618</b>	<b>100.0</b>	<b>19,706</b>	<b>100.0</b>	<b>7,083</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>86.1</b>		<b>10.2</b>		<b>3.7</b>
	<b>Total Farms by Tract</b>	<b>Farms by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	15	1.4	15	1.4	0	0.0	0	0.0
Moderate-income	147	13.3	142	13.2	5	17.2	0	0.0
Middle-income	617	55.8	600	55.8	17	58.6	0	0.0
Upper-income	324	29.3	317	29.5	6	20.7	1	100.0
Unknown-income	3	0.3	2	0.2	1	3.4	0	0.0
<b>Total Assessment Area</b>	<b>1,106</b>	<b>100.0</b>	<b>1,076</b>	<b>100.0</b>	<b>29</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>				<b>97.3</b>		<b>2.6</b>		<b>0.1</b>

**CONCLUSIONS WITH RESPECT TO PERFORMANCE IN MSA 47900  
(WASHINGTON-ARLINGTON-ALEXANDRIA DC-VA-MD-WV)**

**LENDING TEST**

Overall lending test performance in this assessment area was good.

The data used to evaluate the bank’s performance in the assessment area appear in the MSA 47900 section of the Appendix D tables. Lending activity is depicted in MSA 47900 Table 1, geographic distribution in MSA 47900 Tables 2-4, and borrower characteristics are depicted in MSA 47900 Tables 5-7.

**Lending Activity:**

M&T’s overall lending activity showed adequate responsiveness to the retail credit needs of MSA 47900. The bank ranked 12<sup>th</sup> in deposits (market share 1%) compared to 78<sup>th</sup> in home purchase lending (market share <1%), 78<sup>th</sup> in refinance lending (market share <1%) and 16<sup>th</sup> in small business lending (market share 1%).

**Geographic Distribution:**

The geographic distribution of loans in this assessment area was excellent. The distribution of loans in LMI geographies was excellent for both HMDA-related and small business lending. The following table summarizes the bank’s performance.

<b>MSA 47900 (Washington-Arlington-Alexandria, DC-VA-MD-WV)</b>				
<b>Product</b>	<b>Low-income Tracts</b>		<b>Moderate-income Tracts</b>	
	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>
Home Purchase	Excellent	Significantly above	Excellent	Slightly above
Refinance	Excellent	Slightly above	Excellent	Above
Small Business	Good	Slightly above	Excellent	Above

**Distribution by Borrower Income and Revenue Size of Business:**

Lending performance in this assessment area was good based on adequate levels of lending to low-income borrowers and small businesses and a good level of lending to moderate-income borrowers.

The conclusions for low income borrowers considered the difficulty of making home purchase and refinance loans considering the high cost of housing in the assessment area as noted in the Performance Context section and supported by the performance of the aggregate. The following table summarizes the performance related to lending to LMI borrowers.

<b>MSA 47900 (WASHINGTON-ARLINGTON-ALEXANDRIA, DC-VA-MD-WV)</b>				
<b>Product</b>	<b>Low-income Borrowers</b>		<b>Moderate-income Borrowers</b>	
	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>
Home Purchase	Adequate	Similar	Good	Below
Refinance	Adequate	Slightly Above	Good	Slightly Below

The distribution of loans to businesses of different sizes was adequate when considering the proportion of loans to borrowers with GAR of \$1 million or less. Lending to businesses with GAR of \$1 million or less was above the aggregate and lending in amounts \$100 thousand or less was below the aggregate.

**Community Development Loans:**

During the examination period, community development lending in MSA 47900 (Washington-Arlington-Alexandria DC-VA-MD-WV) was excellent, totaling \$105 million. Sixty-seven percent of community development lending was in MD 47894. Activity in MD 13644 consisted of three loans totaling \$35 million to a public housing agency which develops and manages affordable housing in Maryland.

Approximately 88% of community development lending in the MSA targeted affordable housing, which representatives of local organizations indicated is a significant need of this assessment area. The remaining community development lending went to economic development, community service, and revitalization and stabilization initiatives, representing 1% and 6% and 5% of total activity, respectively.

Affordable housing initiatives consisted largely of bridge loans and revolving credit facilities to developers of LIHTC projects.

**INVESTMENT TEST**

The bank’s level of qualified investments in MSA 47900 was excellent, totaling \$61 million or 25% of M&T’s overall investment activity. Performance in the MSA displayed excellent responsiveness to community credit needs as detailed in the table below:

<b>INVESTMENT PURPOSE</b>	<b>#</b>	<b>\$('000s)</b>
Affordable Housing	22	60,855
Community Services	31	230
Economic Development	7	73
Revitalize & Stabilize	0	0
<b>Total</b>	<b>60</b>	<b>61,158</b>

Examples of M&T's qualified investments activity included:

- Deposits totaling \$100 thousand were made to a community development bank that provides financial services to small businesses;
- Multiple grants totaling \$214 thousand to organizations that support affordable housing, economic development and community services to low and moderate income individuals; and
- Multiple LIHTCs totaling \$60.2 million to support affordable housing throughout the MSA.

### SERVICE TEST

Performance under the service test was excellent, based primarily on M&T's leadership in providing community development services and its good branch distribution.

**Retail Services:** Delivery systems were readily accessible to the bank's assessment area, including LMI areas. Of M&T's 53 branches in MSA 47900, 15 branches, or 28%, were located in LMI areas. In contrast, 29% of the assessment area population resides in LMI census tracts.

The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems. Although M&T closed three branches during the evaluation period, none of the branches were located in LMI census tracts. The bank did not open any new branches in the MSA during the evaluation period.

Alternative delivery systems somewhat enhanced the bank's performance in MSA 47900. Of M&T's 61 off-site ATM locations in the assessment area, 20 ATMs, or 33%, were in LMI areas.

The bank's hours and services were tailored to the needs of the assessment area, including LMI areas. Of the 53 branches in the MSA, 44 have either early morning or late evening hours and 45 have Saturday hours. One branch has Sunday hours.

Community Development Services	
Type	#
Mortgage Education Seminars	98
Financial Literacy Seminars	4
Small Business Seminars	2
Technical Assistance (eg. Advisory Board)	27

**Community Development Services:** M&T was a leader in providing community development services in the MSA. The table to the left shows the number and type of services the bank performed during the evaluation period.

## MULTISTATE METROPOLITAN AREA

MSA 37980

(PHILADELPHIA-CAMDEN-WILMINGTON- PA-NJ-DE-MD)

***CRA RATING FOR MSA 37980: SATISFACTORY***

*The lending test is rated: High Satisfactory*

*The investment test is rated: Outstanding*

*The service test is rated: High Satisfactory*

The major factors supporting the rating include:

- Adequate responsiveness to assessment area credit needs;
- Good geographic distribution of loans in the bank's assessment areas;
- Good distribution of loans among individuals of different income levels and businesses of different sizes;
- An excellent level of community development lending;
- An excellent level of qualified investments; and
- Reasonably accessible delivery systems to geographies and individuals of different income levels.

### SCOPE OF EXAMINATION

A full-scope review was conducted of M&T's performance in MSA 37980.

### DESCRIPTION OF INSTITUTION'S OPERATIONS

MSA 37980 encompasses the city of Philadelphia and parts of southeastern Pennsylvania, southern New Jersey, northern Delaware, and northeastern Maryland. M&T's assessment area in the MSA consists of the five Pennsylvania counties (Bucks, Chester, Delaware, Montgomery and Philadelphia) which comprise the Philadelphia Metropolitan Division (MD 37964) as well as Cecil County, Maryland which is part of the Wilmington Metropolitan Division (MD 48864).

M&T operates 28 branches in MSA 37980, as of December 31, 2005, representing 4% of all branches. In this assessment area, M&T holds less than 1% of the deposit market share. Assessment area deposits and branches are heavily concentrated in the Philadelphia MD. Of the bank's 28 branches in MSA 37980, 26 are located in the Philadelphia counties and two are in Cecil County, Maryland.

## PERFORMANCE CONTEXT

### Demographic Characteristics

The population of the assessment area is concentrated in the city of Philadelphia, which contains almost 40% of assessment area residents according to the 2000 Census. This number is sharply lower than the 1990 Census, which showed 54% of the area's population in the city. The suburban counties continue to be increasingly important in terms of growth, not only as bedroom communities for commuters into the city, but also as business, industry and retail centers.

### Income Characteristics

The 2004 and 2005 HUD-adjusted median family income estimates for the MSA are shown in the accompanying table. The

HUD MEDIAN FAMILY INCOMES		
AREA	2004	2005
MSA 37980	\$68,500	\$69,100

2000 Census indicates that 39% of families in the MSA are designated as LMI. Lower incomes and higher poverty levels are concentrated in the city of Philadelphia. In the city, 60% of families are designated as LMI and 18% of families live below poverty level.

### Housing Characteristics

The table at right shows that the average price of a home in MSA 37980 increased 17% over the last year.

AVERAGE HOME PRICE		
Area	2004	2005
Southeast PA Region	\$201,000	\$235,000

Source: Pennsylvania Association of Realtors

According to the 2000 Census, the overall homeownership rate in MSA 37980 is 64%. There is a wide difference in homeownership rates between the city and the suburban counties, with a 53% rate in the City and 72% in the four suburban counties. The disparity between incomes and housing costs, either owned or rented, suggests a need for affordable mortgage programs and development of rental properties for the LMI population. Community contacts throughout the assessment area agreed that affordable housing is a pressing need.

With a median age of 46 years, housing stock in the MSA tends to be older. Forty percent of housing in the MSA and 58% of housing in the City of Philadelphia was built before 1950. The aging housing stock indicates a need for home improvement financing.

Recently, Center City Philadelphia is experiencing resurgence as younger people and empty-nesters attracted by the city's amenities move downtown. As a result, real estate prices have skyrocketed. Housing in some of the city's LMI areas, however, is aging and in need of repair and population in these areas still shrinks while the suburbs grow.

Labor, Employment and Economic Characteristics

MSA 37980's strongest industries are education and health services, professional services, leisure and hospitality services, and construction. The healthcare sector of the economy benefits from the large teaching hospitals in the city, such as Thomas Jefferson University Hospital and The University of Pennsylvania Hospital. The University of Pennsylvania is the largest private sector employer in Philadelphia. The tourism and hospitality industry is also an important sector of the area economy.

According to the Pennsylvania Department of Labor and Industry, unemployment has decreased in the five-county area. As shown in the chart to the right, Philadelphia County has the highest unemployment rates of counties in the assessment area.

Detailed performance context data for this assessment area is provided in the Combined Demographics Report on the next page.

<b>AVERAGE ANNUAL UNEMPLOYMENT RATES</b>		
<b>Area</b>	<b>2004</b>	<b>2005</b>
Bucks County	4.7%	4.1%
Chester County	3.8%	3.6%
Delaware County	5.2%	4.6%
Montgomery County	4.3%	3.9%
Philadelphia County	7.5%	6.8%
<b>State of Pennsylvania</b>	<b>5.4%</b>	<b>5.0%</b>

### Combined Demographics Report

Exam: Manufacturers & Traders TC

Assessment Area: MSA 37980

Analysis Year: 2005

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	121	12.1	106,763	10.7	36,963	34.6	217,814	21.9
Moderate-income	194	19.3	194,371	19.6	30,072	15.5	170,608	17.2
Middle-income	340	33.9	334,981	33.7	15,230	4.5	204,549	20.6
Upper-income	330	32.9	357,640	36.0	6,414	1.8	400,784	40.3
Unknown-income	18	1.8	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>1,003</b>	<b>100.0</b>	<b>993,755</b>	<b>100.0</b>	<b>88,679</b>	<b>8.9</b>	<b>993,755</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>			<b>Rental</b>		<b>Vacant</b>	
		#	%	%	#	%	#	%
Low-income	198,378	86,598	8.5	43.7	76,495	38.6	35,285	17.8
Moderate-income	347,705	185,708	18.2	53.4	128,937	37.1	33,060	9.5
Middle-income	537,871	352,687	34.5	65.6	160,297	29.8	24,887	4.6
Upper-income	515,795	396,247	38.8	76.8	103,358	20.0	16,190	3.1
Unknown-income	353	13	0.0	3.7	2	0.6	338	95.8
<b>Total Assessment Area</b>	<b>1,600,102</b>	<b>1,021,253</b>	<b>100.0</b>	<b>63.8</b>	<b>469,089</b>	<b>29.3</b>	<b>109,760</b>	<b>6.9</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	9,724	7.0	8,187	7.0	949	6.0	588	10.0
Moderate-income	20,418	14.8	17,141	14.7	2,248	14.2	1,029	17.6
Middle-income	44,262	32.0	37,607	32.3	4,822	30.5	1,833	31.3
Upper-income	62,961	45.6	53,105	45.6	7,493	47.5	2,363	40.3
Unknown-income	810	0.6	489	0.4	274	1.7	47	0.8
<b>Total Assessment Area</b>	<b>138,175</b>	<b>100.0</b>	<b>116,529</b>	<b>100.0</b>	<b>15,786</b>	<b>100.0</b>	<b>5,860</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>84.3</b>		<b>11.4</b>		<b>4.2</b>
	<b>Total Farms by Tract</b>	<b>Farms by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	5	0.4	4	0.4	1	1.5	0	0.0
Moderate-income	32	2.8	29	2.7	2	2.9	1	10.0
Middle-income	563	49.3	536	50.3	21	30.9	6	60.0
Upper-income	543	47.5	496	46.6	44	64.7	3	30.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>1,143</b>	<b>100.0</b>	<b>1,065</b>	<b>100.0</b>	<b>68</b>	<b>100.0</b>	<b>10</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>				<b>93.2</b>		<b>5.9</b>		<b>0.9</b>

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 37980 (PHILADELPHIA-CAMDEN-WILMINGTON- PA-NJ-DE-MD)**

**LENDING TEST**

Overall lending test performance in this assessment area was good.

The data used to evaluate the bank’s performance in the assessment area appear in the MSA 37980 section of the Appendix D tables. Lending activity is depicted in MSA 37980 Table 1, geographic distribution in MSA 37980 Tables 2-4, and borrower characteristics are depicted in MSA 37980 Tables 5-7.

**Lending Activity:**

M&T’s responsiveness to retail credit needs in MSA 37980 was adequate. The bank ranked 30<sup>th</sup> in deposits (market share <1%) compared to 53<sup>rd</sup> in home purchase lending (market share <1%), 74<sup>th</sup> in refinance lending (market share <1%) and 22<sup>nd</sup> in small business lending (market share 1%).

**Geographic Distribution:**

Geographic distribution for MSA 37980 was good. Overall, lending in moderate-income census tracts was good, and lending in low-income census tracts was adequate. These conclusions considered limited lending opportunities as supported by the market aggregate lending patterns, particularly in low-income geographies. The following table summarizes the performance related to lending in LMI census tracts.

<b>MSA 37980 (PHILADELPHIA-CAMBEN-WILMINGTON, PA-NJ-DE-MD)</b>				
<b>Product</b>	<b>Low-income Tracts</b>		<b>Moderate-income Tracts</b>	
	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>
Home Purchase	Adequate	Similar	Excellent	Slightly above
Refinance	Poor	Below	Good	Similar
Small Business	Adequate	Similar	Good	Similar

**Distribution by Borrower Income and Revenue Size of the Business:**

Lending performance in this assessment area was good based on adequate levels of lending to low-income borrowers and small businesses and excellent lending levels to moderate-income borrowers. The following table summarizes the performance related to lending to LMI borrowers.

<b>MSA 37980 (PHILADELPHIA-CAMDEN-WILMINGTON, PA-NJ-DE-MD)</b>				
<b>Product</b>	<b>Low-income Borrowers</b>		<b>Moderate-income Borrowers</b>	
	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>
Home Purchase	Adequate	Similar	Excellent	Similar
Refinance	Poor	Below	Excellent	Similar

The distribution of loans to businesses of different sizes was adequate when considering the proportion of loans to borrowers with GAR of \$1 million or less. Lending to businesses with GAR of \$1 million or less was above the aggregate and lending in amounts of \$100 thousand or less was below the aggregate.

**Community Development Lending:**

Community development lending in MSA 37980 was outstanding, totaling approximately \$32 million or 3% of all community development activity. Lending was concentrated in MD 37954 (Philadelphia, PA) where community development loans totaled \$20 million or 63% of activity within the MSA. The balance of the community development lending was located in MD 48864 (Wilmington, DE).

As indicated in the chart below, community development lending was responsive to identified needs within the MSA.

<b>Community Development Lending</b>		
<b>Purpose</b>	<b>%</b>	<b>\$(’000s)</b>
Affordable Housing	21	\$6,736
Economic Development	41	\$13,380
Revitalize and Stabilize	38	\$12,300
<b>Totals</b>	<b>100</b>	<b>\$32,416</b>

Examples of community development lending include:

- A \$6.6 million demand loan to acquire 20 acres of abandoned industrial sites in an economic development zone to develop 316 units of housing affordable to moderate-income borrowers.
- A \$12 million participation in a \$25 million land acquisition loan to acquire a 633 unit distressed apartment complex located in an economic development zone. The master plan calls for development of 1,100 units of mixed use housing on the site.

## INVESTMENT TEST

The level of qualified investments in MSA 37980 was excellent, totaling \$19 million, or 8% of total. Performance in the MSA displayed excellent responsiveness to community credit needs as detailed in the table below:

INVESTMENT PURPOSE	#	\$('000s)
Affordable Housing	12	18,918
Community Services	17	148
Economic Development	4	6
Revitalize & Stabilize	0	0
<b>Total</b>	<b>33</b>	<b>19,072</b>

Examples of qualified investment activity included:

- Multiple LIHTCs totaling \$18.8 million to support affordable housing throughout the MSA; and
- Multiple grants totaling \$188 thousand to organizations that support affordable housing, economic development and community services to low- and moderate- income individuals.

## SERVICE TEST

Performance under the service test in MSA 37980 was good, based mainly on M&T's leadership in providing community development services and its adequate branch distribution.

**Retail Services:** The bank's delivery systems were reasonably accessible to the assessment area, including LMI areas. Overall, M&T had 28 branches in MSA 37980, of which six, or 21%, are located in LMI areas. In contrast, the percentage of the assessment area population located in LMI areas was 33%.

The bank's record of opening and closing branches adversely impacted the accessibility of its delivery systems. M&T closed three branches during the evaluation period. One of the closed branches was located in an LMI census tract in Bucks County, Pennsylvania. Although the bank operates five other branches in that county, all five were located in middle- and upper-income geographies.

Alternative delivery systems slightly enhanced the bank's performance in MSA 37980. M&T had six off-site ATM locations in the assessment area, of which one, or 17%, was located in an LMI area.

The bank's hours and services were tailored to the needs and convenience of the assessment area, including LMI areas. All 28 branches in the MSA have either early morning or late evening hours and 15 branches have Saturday hours.

Community Development Services	
Type	#
Mortgage Education Seminars	79
Small Business Seminars	3
Technical Assistance (eg. Advisory Board)	6

**Community Development Services:**  
The bank was a leader in providing community development services in the MSA. The table to the left shows the number and type of services performed during the evaluation period.

# MULTISTATE METROPOLITAN AREA

(FULL REVIEW)

MSA 19060 (CUMBERLAND, MD-WV)

***CRA RATING FOR MSA 19060: SATISFACTORY***

*The lending test is rated: High satisfactory*

*The investment test is rated: Low satisfactory*

*The service test is rated: Low Satisfactory*

The major factors supporting the rating include:

- Excellent responsiveness to assessment area credit needs;
- A good geographic distribution of loans in the bank's assessment area;
- A good distribution of loans among individuals of different income levels and businesses of different sizes;
- A poor level of community development lending;
- An adequate level of qualified investments; and
- Reasonably accessible delivery systems to essentially all portions of the bank's assessment areas.

## SCOPE OF EXAMINATION

Examiners conducted a full-scope examination for this multistate MSA assessment area, but because the area lacks a significant proportion of the bank's loans and deposits, it had minimal impact on the bank's overall CRA rating.

## DESCRIPTION OF INSTITUTION'S OPERATIONS

M&T had nine branches in the Cumberland MSA as of December 31, 2005, representing approximately 1% of the bank's overall branches. The MSA also contained 1% of the bank's HMDA and small business loans and deposits. Despite a low proportion of the bank's overall deposits, M&T is the number one bank in the area in terms of deposit market share, with 30% of deposits as reported by the FDIC as of June 30, 2005. For details, see Exhibit 1 on BB7.

## PERFORMANCE CONTEXT

### *Demographic Characteristics*

Located in the western corner of Maryland and crossing the border into West Virginia, the Cumberland MSA assessment area consists of Allegany County, Maryland and Mineral County,

West Virginia. The core of the Cumberland MSA assessment area is Allegany County, which contains approximately 73% of the MSA population. The 2000 Census reveals that population in the Cumberland MSA increased less than 1% during the last decade.

Income Characteristics

The 2005 and 2004 HUD-adjusted median family incomes for the Cumberland MSA are listed in the accompanying table. The Cumberland MSA assessment area contains only three moderate-income tracts. One tract is located in Mineral County and the other two in Allegany County.

HUD MEDIAN FAMILY INCOME		
AREA	2004	2005
MSA 19060	\$45,000	\$46,600

Housing Characteristics

According to the 2000 Census, 64% of MSA housing is owner-occupied. In light of income levels in the area, homeownership is difficult for moderate-income families and barely possible for low-income families. The year 2000 median family income for the assessment area is \$39,167 of which 50% would be the maximum income figure for low-income families. Mortgage industry standards consider housing that is three times annual income to be affordable. Only 39% of the area's housing is valued under \$60,000 and thus considered affordable for low-income residents.

MEDIAN HOUSING VALUE		
Area	2004	2005
MSA 19060 (Cumberland, MD,WV)	\$72,700	\$87,000

Mobile homes are usually considered affordable to low- and moderate-income residents. The 2000 census data reveals 7% of all dwellings located within the assessment area are mobile homes.

A significant portion of the housing units within the Cumberland MSA are older. The 2000 Census reports that 45% of housing units were built in 1950 or earlier. This level of older housing stock is greater than that for both Maryland (21%) and West Virginia (29%), indicating a possible need for home improvement financing.

Labor, Employment and Economic Characteristics

The Cumberland MSA is primarily rural in nature. Over the past several years the economy has remained somewhat stagnant with the majority of residents commuting to the nearby cities of Winchester, Virginia and Hagerstown, Maryland for employment opportunities. Within the City of Cumberland, major employers include Western Maryland Health System, Allegany County Board of Education, and CSX railroad. To stimulate the local economy, Cumberland offers a number of incentive programs such as tax credits, Enterprise Zones, and a revolving loan pool.

<b>AVERAGE ANNUAL UNEMPLOYMENT RATE</b>		
<b>Area</b>	<b>2004</b>	<b>2005</b>
MSA 19060	6.3%	5.8%
State of Maryland	4.3%	4.1%
State of West Virginia	5.3%	5.0%

As shown in the table at left, unemployment levels remained relatively stable during the examination period and declined in 2005. However, the jobless rate for the MSA was higher than those for the states of Maryland and West Virginia.

Detailed performance context data for this assessment area is provided in the Combined Demographics Report on the next page.

### Combined Demographics Report

Assessment Area: MSA 19060

Analysis Year: 2005

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	0	0.0	0	0.0	0	0.0	4,958	18.5
Moderate-income	3	10.0	2,206	8.2	482	21.8	5,098	19.0
Middle-income	23	76.7	20,329	76.0	2,091	10.3	6,358	23.8
Upper-income	4	13.3	4,227	15.8	169	4.0	10,348	38.7
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>30</b>	<b>100.0</b>	<b>26,762</b>	<b>100.0</b>	<b>2,742</b>	<b>10.2</b>	<b>26,762</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>			<b>Rental</b>		<b>Vacant</b>	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	4,160	2,097	7.2	50.4	1,446	34.8	617	14.8
Middle-income	34,428	22,053	76.1	64.1	8,500	24.7	3,875	11.3
Upper-income	6,490	4,814	16.6	74.2	1,196	18.4	480	7.4
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>45,078</b>	<b>28,964</b>	<b>100.0</b>	<b>64.3</b>	<b>11,142</b>	<b>24.7</b>	<b>4,972</b>	<b>11.0</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	225	7.7	191	7.4	15	7.7	19	12.6
Middle-income	2,244	76.6	1,991	77.1	138	70.8	115	76.2
Upper-income	461	15.7	402	15.6	42	21.5	17	11.3
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>2,930</b>	<b>100.0</b>	<b>2,584</b>	<b>100.0</b>	<b>195</b>	<b>100.0</b>	<b>151</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>				<b>88.2</b>		<b>6.7</b>		<b>5.2</b>
	<b>Total Farms by Tract</b>	<b>Farms by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	3	4.6	3	4.6	0	0.0	0	0.0
Middle-income	57	87.7	57	87.7	0	0.0	0	0.0
Upper-income	5	7.7	5	7.7	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>65</b>	<b>100.0</b>	<b>65</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
<b>Percentage of Total Farms:</b>				<b>100.0</b>		<b>0.0</b>		<b>0.0</b>

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN MSA 19060 (CUMBERLAND, MD- WV)**

**LENDING TEST**

M&T’s overall performance under the lending test in MSA 19060 (Cumberland, MD-WV) was good.

The data used to evaluate the bank’s performance in the assessment area appear in the MSA 19060 section of the Appendix D tables. Lending activity is depicted in MSA 19060 Table 1, geographic distribution in MSA 19060 Tables 2-4, and borrower characteristics are depicted in MSA 19060 Tables 5-7.

**Lending Activity:**

M&T’s responsiveness to retail credit needs in this MSA was excellent. The bank ranked first<sup>in</sup> deposits (market share 30%) compared to second in home purchase lending (market share 8%), second<sup>in</sup> refinance lending (market share 6%) and fifth in small business lending (market share 8%).

**Geographic Distribution:**

Geographic distribution for this assessment area was good based on a good distribution of HMDA-related lending in moderate-income tracts and an adequate distribution of small business lending. This area had no low-income tracts according to the 2000 Census; therefore, lending in low-income geographies was not analyzed. The following table summarizes the performance related to lending in the moderate-income census tracts.

<b>MSA 19060 (CUMBERLAND, MD-WV)</b>				
<b>Product</b>	<b>Low-income Tracts</b>		<b>Moderate-income Tracts</b>	
	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>
Home Purchase	NA	NA	Excellent	Above
Refinance	NA	NA	Adequate	Below
Small Business	NA	NA	Adequate	Below

**Distribution by Borrower Income and Revenue Size of Business:**

Lending performance in this assessment area was good based on good levels of lending to low-income borrowers, an excellent level of lending to moderate-income borrowers and adequate levels of lending to small businesses.

Overall performance in lending to borrowers of different income levels for HMDA-related loans was good as summarized in the following table.

<b>MSA 19060 (CUMBERLAND, MD-WV)</b>				
<b>Product</b>	<b>Low-income Borrowers</b>		<b>Moderate-income Borrowers</b>	
	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>	<b>M &amp; T Performance</b>	<b>2004 Aggregate Comparison</b>
Home Purchase	Good	Above	Excellent	Significantly Above
Refinance	Good	Significantly Above	Excellent	Above

The distribution of loans to businesses of different sizes was adequate when considering the proportion of loans to borrowers with GAR of \$1 million or less. Lending to businesses with GAR of \$1 million or less was above the aggregate and lending in amounts of \$100 thousand or less was slightly below the aggregate.

**Community Development Lending:**

Bank performance was poor as there was no community development lending in this MSA during the examination period.

**INVESTMENT TEST**

The level of qualified investments in this MSA was adequate, totaling \$19 thousand. All of the investments targeted organizations that support community development services benefiting LMI individuals.

**SERVICE TEST**

M&T's performance under the service test was outstanding primarily based on the bank's excellent branch distribution in the assessment area.

**Retail Services:** The bank's delivery systems were readily accessible to all portions of the bank's assessment area, including LMI areas. Overall, M&T operates nine branches in MSA 19060, and one branch, or 11%, is located in an LMI area. This compares favorably with the portion of the population residing in LMI areas.

The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems. During the evaluation period, M&T closed two branches in this assessment area; however, none of the closed branches were located in LMI census tracts. The bank did not open any new branches in the MSA.

Alternative delivery systems slightly enhanced the bank's performance in the Cumberland MSA. The bank had nine off-site ATM locations in the assessment area, of which one, or 11%, was located in an LMI area.

Hours and services do not vary in a way that inconveniences its assessment area, including LMI areas. Of the nine branches located in the MSA, five have early morning or late evening hours and six have Saturday hours.

<b>Community Development Services</b>	
<b>Type</b>	<b>#</b>
Mortgage Education Seminars	3
Small Business Seminars	5
Technical Assistance (eg. Advisory Board)	4

**Community Development Services:**

The bank provided an adequate level of community development services. The table to the left shows the number and type of services the bank performed during the evaluation period.

## STATE OF DELAWARE

### ***CRA RATING FOR DELAWARE<sup>3</sup>: SATISFACTORY***

*The lending test is rated: Low satisfactory*

*The investment test is rated: Low satisfactory*

*The service test is rated: Low satisfactory*

The major factors supporting the rating include:

- Adequate responsiveness to assessment area credit needs;
- Adequate distribution of loans among individuals of different income levels and businesses of different sizes;
- Poor level of community development lending;
- An adequate level of qualified investments; and
- Reasonably accessible delivery systems to geographies and borrowers of different income levels.

### **SCOPE OF EXAMINATION**

Examiners conducted a full-scope review of this assessment area, which consists of Sussex County, Delaware. As shown in Exhibit 1 on Page BB7, this assessment area has a very small proportion of M&T's loans and deposits. Accordingly, its weighting in the bank's overall CRA rating was very small. In addition, the Sussex County assessment area contains no LMI geographies.

### **DESCRIPTION OF INSTITUTION'S OPERATIONS**

M&T's operations consist of one branch located in Sussex County, a non-MSA area. Although the branch offers a full range of products, it serves bank employees and had limited retail activity during the examination period.

### **PERFORMANCE CONTEXT**

The bank's assessment area in Delaware consists of Sussex County. Sussex County, the southernmost of Delaware's three counties, is bordered by Maryland to the south and east. This very competitive market has 12 banks operating 53 retail branches. As of June 30, 2005, M&T

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<sup>3</sup> 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. See the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

ranked 15<sup>th</sup> in deposits, with a less than 1% market share. Its major competitors include Wilmington Trust, Baltimore Trust, PNC Bank, and Delaware National.

## PERFORMANCE CONTEXT

### Demographic Characteristics

Sussex County has a growing population that increased 38% between the 1990 and 2000 Census. During the summer months, the population expands by the more than 40 thousand visitors drawn to the Rehoboth and Bethany oceanfront communities. The county's year-round population is expected to continue growing at a rapid rate because of the large number of retirees moving into the area.

The pattern of development has been westward from the oceanfront communities and to a lesser extent along U.S. Route 13, the main north-south highway. With land prices near the coast becoming very high, residential development is expected to spread to the western part of the county.

### Income Characteristics

The HUD-adjusted median family income for the nonmetropolitan portion of Delaware was \$45,190 in 2004 and \$54,900 in 2005. HUD does not provide income estimates for Sussex County itself. There are no low- or moderate- income tracts in the assessment area.

### Housing Characteristics

Just over 54% of housing units are owner-occupied. The area has a high level of vacant units, at 33%, although many of these are vacation homes for summer residents. Mobile homes represent a significant portion of housing units, at 26%. The median house value in 2000 for Sussex County was \$122,400.

### Labor, Employment and Economic Characteristics

The food processing, tourism and poultry industries provide numerous but mostly low-paying jobs. As a result, the unemployment rate for Sussex County is relatively low and below the State as shown in the table to the right.

AVERAGE ANNUAL UNEMPLOYMENT RATES		
Area	2004	2005
Sussex County	3.6%	3.7%
State of Delaware	4.0%	4.2%

Source: U.S Bureau of Labor

Detailed performance context data for this assessment area is provided in the Combined Demographics Report on the next page.

### Combined Demographics Report

Assessment Area: Delaware

Analysis Year: 2005

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	7,999	18.1
Moderate-income	0	0.0	0	0.0	0	0.0	8,608	19.5
Middle-income	33	91.7	40,576	92.0	3,320	8.2	10,572	24.0
Upper-income	3	8.3	3,514	8.0	83	2.4	16,911	38.4
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>36</b>	<b>100.0</b>	<b>44,090</b>	<b>100.0</b>	<b>3,403</b>	<b>7.7</b>	<b>44,090</b>	<b>100.0</b>
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	0	0	0.0	0.0	0	0.0	0	0.0
Moderate-income	0	0	0.0	0.0	0	0.0	0	0.0
Middle-income	72,742	45,544	90.2	62.6	10,970	15.1	16,228	22.3
Upper-income	20,328	4,961	9.8	24.4	1,102	5.4	14,265	70.2
Unknown-income	0	0	0.0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>93,070</b>	<b>50,505</b>	<b>100.0</b>	<b>54.3</b>	<b>12,072</b>	<b>13.0</b>	<b>30,493</b>	<b>32.8</b>
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	5,295	77.3	4,712	77.3	408	81.9	175	68.4
Upper-income	1,558	22.7	1,387	22.7	90	18.1	81	31.6
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>6,853</b>	<b>100.0</b>	<b>6,099</b>	<b>100.0</b>	<b>498</b>	<b>100.0</b>	<b>256</b>	<b>100.0</b>
Percentage of Total Businesses:				<b>89.0</b>		<b>7.3</b>		<b>3.7</b>
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	0	0.0	0	0.0	0	0.0	0	0.0
Moderate-income	0	0.0	0	0.0	0	0.0	0	0.0
Middle-income	311	98.4	305	98.4	6	100.0	0	0.0
Upper-income	5	1.6	5	1.6	0	0.0	0	0.0
Unknown-income	0	0.0	0	0.0	0	0.0	0	0.0
<b>Total Assessment Area</b>	<b>316</b>	<b>100.0</b>	<b>310</b>	<b>100.0</b>	<b>6</b>	<b>100.0</b>	<b>0</b>	<b>0.0</b>
Percentage of Total Farms:				<b>98.1</b>		<b>1.9</b>		<b>0.0</b>

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN DELAWARE

### LENDING TEST

The bank's performance under the lending test in the state of Delaware was adequate.

The data used to evaluate the bank's performance in the assessment area appear in the Delaware section of the Appendix D tables. Lending activity is depicted in Delaware Table 1, geographic distribution in Delaware tables 2-4, and borrower characteristics in Delaware Tables 5-7.

#### **Lending Activity:**

M&T's responsiveness to retail credit needs was adequate based on the number and dollar volume of home purchase, refinance and small business loans in Sussex County. The bank ranked 15<sup>th</sup> in deposits (market share <1%) compared to 39<sup>th</sup> in home purchase lending (market share <1%), 51<sup>st</sup> in refinance lending (market share <1%) and 23<sup>rd</sup> in small business lending (market share 1%).

#### **Geographic Distribution:**

The Delaware assessment area has no LMI census tracts. A review of loan distribution on maps showed that loans were adequately distributed in middle- and upper- income areas.

#### **Distribution by Borrower Income and Revenue Size of Business:**

Lending performance in this assessment area was adequate based on adequate levels of lending to low- and moderate-income borrowers.

Loan performance to low- and moderate-income borrowers for home purchase loans was adequate. During the two-year review period there were too few loans to allow for a meaningful overall analysis of HMDA-related and small business loans. However, 8 out of 51 home purchase loans were provided to LMI borrowers; 12 out of 41 refinance loans were provided to LMI borrowers, and 8 out of 21 small business loans were provided to businesses with GAR of \$1 million or less.

#### **Community Development Lending:**

As described in the performance context, M & T's assessment areas in the State of Delaware consist of the non-MSA county of Sussex. No community development loans were issued within the State of Delaware, resulting in poor performance.

### INVESTMENT TEST

The bank's level of qualified investments was adequate, totaling \$62 thousand. All of the investments were to an organization that supports community development services benefiting low- and moderate- income individuals. In addition, the bank made investments totaling \$202

thousand within the state but outside of the bank's assessment area. These qualified investments were comprised of low-income housing tax credits totaling \$202 thousand to support affordable housing.

## **SERVICE TEST**

M&T's performance under the service test was adequate.

**Retail Services:** The bank's delivery systems were reasonably accessible to the bank's assessment area. M&T operates one branch in a middle-income geography in Sussex County. There are no LMI census tracts in the county.

The bank's record of opening and closing branches has not adversely affected the accessibility of its delivery systems. M&T did not open or close any branches in this assessment area during the evaluation period. Alternative delivery systems did not enhance the bank's performance in the assessment area.

The bank performed an adequate level of community development services in the assessment area. Three M&T Bank officers provided ongoing technical assistance to community development organizations in Sussex County, Delaware.

**CRA APPENDIX A**  
**SCOPE OF EXAMINATION**

<b>MANUFACTURERS AND TRADERS TRUST COMPANY</b>			
<b>TIME PERIOD REVIEWED</b>		January 1, 2004-December 31, 2005	
<b>FINANCIAL INSTITUTION</b>			<b>PRODUCTS REVIEWED</b>
Manufacturers and Traders Trust Company  One M & T Plaza* Buffalo, NY 14203			<ul style="list-style-type: none"> <li>• Home purchase</li> <li>• Multifamily</li> <li>• Refinancings</li> <li>• Small business</li> <li>• Community Development</li> </ul>
<b>AFFILIATE(S)</b>	<b>AFFILIATE RELATIONS HIP</b>		<b>PRODUCTS REVIEWED</b>
M&T Mortgage Corporation	Bank subsidiary		<ul style="list-style-type: none"> <li>• Home Purchase</li> <li>• Refinancing</li> </ul>
M&T Real Estate Trust	Bank subsidiary		<ul style="list-style-type: none"> <li>• Multifamily</li> </ul>
M&T Bank, N.A.	Holding company subsidiary		<ul style="list-style-type: none"> <li>• Small Business</li> </ul>
M&T Realty Capital Corporation	Bank subsidiary		<ul style="list-style-type: none"> <li>• Multifamily</li> </ul>
* Branch Examined			

**CRA APPENDIX B**

**Summary of State and Multistate MSA Ratings**

<b>State or Multistate Metropolitan Area</b>	<b>Lending Test Rating</b>	<b>Investment Test Rating</b>	<b>Service Test Rating</b>	<b>Overall State Rating</b>
New York	High Satisfactory	Outstanding	Outstanding	Outstanding
Pennsylvania	High Satisfactory	High Satisfactory	Outstanding	Satisfactory
Maryland	High Satisfactory	Outstanding	High Satisfactory	Satisfactory
MSA 47900	High Satisfactory	Outstanding	Outstanding	Outstanding
MSA 37980	High Satisfactory	Outstanding	High Satisfactory	Satisfactory
MSA 19060	High Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory
Delaware	Low Satisfactory	Low Satisfactory	Low Satisfactory	Satisfactory

## CRA APPENDIX C

### GLOSSARY

**Aggregate lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

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

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

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

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

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

**Full review:** Performance is analyzed considering performance context, quantitative factors and qualitative factors.

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

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

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

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

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

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

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

**Metropolitan Division:** A county or group of counties within a **Metropolitan Statistical Area** that contains a population of at least 2.5 million and represents an employment center(s) associated through commuting ties.

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

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

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

**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 nonmortgage, commercial loans.

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

## CRA APPENDIX D

FFIEC Interagency Core CRA PE Tables

Institution ID: 501105

**Table 1. Lending Volume.**

Lending Volume		State: New York		Evaluation Period: January 1, 2004 to December 31, 2005					
MSA/Assessment Area	Home Mortgage		Small Loans to Businesses		Community Development Loans		Total Reported Loans		
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
A. Buffalo Niagara Falls NY MSA 15380	4,381	409,034	3,586	638,608	38	50,831	8,005	1,098,473	
B. New York-Northern NJ-Long Island, MSA 35620	2,390	1,386,968	1,698	361,620	88	275,819	4,176	2,024,407	
C. Rochester, NY MSA 40380	2,758	362,421	2,664	517,608	28	105,812	5,450	985,841	
D. Syracuse, NY MSA 45060	1,756	188,511	1,592	239,933	6	20,658	3,354	449,102	
E. Poughkeepsie Newburgh Middletown, NY MSA 39100	1,207	279,667	1,027	129,778	23	44,448	2,257	453,893	
F. Albany-Schenectady-Troy MSA 10580	1,805	268,390	624	105,599	6	31,802	2,435	405,791	
<b>Limited-Review:</b>									
G. Binghamton NY MSA 13780	659	52,487	949	152,692	10	19,977	1,618	225,156	
H. NY Non-MSA Group A	1,123	94,295	564	60,104	9	13,239	1,696	167,638	
I. Kingston, NY MSA 28740	391	67,804	327	33,764	2	10,475	720	112,043	
J. Ithaca, NY MSA 27060	149	17,152	137	13,424	1	1,300	287	31,876	
K. NY Non-MSA Group B	359	33,452	207	26,550	2	9,388	567	69,390	
L. NY Non-MSA Group C	139	22,223	30	3,435	3	17,516	172	43,174	
M. Utica-Rome NY MSA 46540	359	33,532	167	28,634	0	0	526	62,166	
N. Elmira, NY MSA 21300	62	7,585	40	8,685	3	8,290	105	24,560	
O. Statewide					2	11,413	2	11,413	
P. Outside Assessment Area					1	6,103	1	6,103	

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: Home Purchase		State: New York		Evaluation Period: January 1, 2004 to December 31, 2005											
MSA/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 Occupied Units***	% Bank Loans	% Owner Occupied Units***	% Bank Loans	% Owner Occupied Units***	% Bank Loans	% Owner Occupied Units***	% Bank Loans	Low	Moderate	Middle	Upper	
<b>Full-Review:</b>															
A. Buffalo Niagara Falls NY MSA 15380	2,895	25.91	4.34	2.42	13.17	14.23	51.87	53.54	30.61	29.81	2.33	12.84	50.36	34.46	
B. New York-Northern NJ-Long Island, MSA 35620	1,241	11.11	1.75	9.83	13.53	17.97	43.82	38.44	40.89	33.60	3.42	18.62	40.59	37.25	
C. Rochester, NY MSA 40380	1,999	17.89	3.53	3.45	11.76	16.06	51.96	52.83	32.74	27.66	3.26	13.57	50.81	32.36	
D. Syracuse, NY MSA 45060	1,145	10.25	2.90	2.97	8.95	11.97	51.25	53.28	36.91	31.79	2.49	9.37	50.09	38.06	
E. Poughkeepsie Newburgh Middletown, NY MSA 39100	722	6.46	2.07	5.54	8.38	15.65	66.59	67.04	22.96	11.77	5.16	12.59	61.68	20.57	
F. Albany-Schenectady-Troy MSA 10580	1,248	11.17	2.90	3.93	10.88	14.82	54.67	57.21	31.55	24.04	5.04	14.11	51.96	28.89	
<b>Limited-Review:</b>															
G. Binghamton NY MSA 13780	402	3.60	0.97	1.74	9.07	13.18	61.79	58.96	28.17	26.12	1.12	11.74	58.88	28.26	
H. NY Non-MSA Group A	628	5.62	0.29	0.00	5.92	4.94	79.83	77.55	13.96	17.52	0.53	4.83	78.10	16.54	
I. Kingston, NY MSA 28740	217	1.94	0.00	0.00	8.34	8.29	76.90	73.73	14.76	17.97	0.00	14.29	72.54	13.17	
J. Ithaca, NY MSA 27060	69	0.62	0.00	0.00	6.41	10.14	82.16	82.61	11.43	7.25	0.00	8.50	75.72	15.79	
K. NY Non-MSA Group B	226	2.02	0.00	0.00	1.04	1.77	81.58	76.55	17.38	21.68	0.00	1.25	82.18	16.57	
L. NY Non-MSA Group C	88	0.79	0.00	0.00	4.83	4.55	68.51	67.05	26.65	28.41	0.00	5.76	65.94	28.30	
M. Utica-Rome NY MSA 46540	249	2.23	3.44	0.40	10.51	9.64	56.56	54.62	29.49	35.34	2.21	12.34	55.44	30.01	
N. Elmira, NY MSA 21300	44	0.39	0.59	0.00	13.03	4.55	50.94	47.73	35.43	47.73	0.31	11.50	47.48	40.55	

(\*) Based on 2004 Aggregate HMDA Data only.

(\*\*) Home Purchase loans originated and purchased in the MSA/AA as a percentage of all Home Purchase loans originated and purchased in the rated areas.

(\*\*\*) 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 2000 Census information.

**Table 3. Geographic Distribution of Home Refinance Loans**

Geographic Distribution: Home Mortgage Refinance State: New York											Evaluation Period: January 1, 2004 to December 31, 2005			
MSA/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	Moderate	Middle	Upper
<b>Full-Review:</b>														
A. Buffalo Niagara Falls NY MSA 15380	1,169	23.43	4.34	2.82	13.17	10.69	51.87	53.04	30.61	33.36	2.31	11.91	52.77	32.97
B. New York-Northern NJ-Long Island, MSA 35620	941	18.86	1.75	2.44	13.53	19.13	43.82	42.40	40.89	35.81	2.57	19.24	46.53	31.60
C. Rochester, NY MSA 40380	590	11.82	3.53	3.22	11.76	14.07	51.96	48.14	32.74	34.58	2.95	11.49	52.24	33.30
D. Syracuse, NY MSA 45060	472	9.46	2.90	2.54	8.95	8.69	51.25	50.85	36.91	37.92	2.36	7.69	50.32	39.63
E. Poughkeepsie Newburgh Middletown, NY MSA 39100	404	8.10	2.07	1.98	8.38	17.08	66.59	67.08	22.96	13.86	3.52	11.04	64.14	21.28
F. Albany-Schenectady-Troy MSA 10580	438	8.78	2.90	2.51	10.88	13.24	54.67	57.31	31.55	26.94	3.12	11.11	55.23	30.53
<b>Limited-Review:</b>														
G. Binghamton NY MSA 13780	169	3.39	0.97	1.78	9.07	12.43	61.79	57.99	28.17	27.81	0.99	9.33	60.63	29.05
H. NY Non-MSA Group A	354	7.09	0.29	0.28	5.92	3.95	79.83	80.51	13.96	15.25	0.40	4.35	78.28	16.96
I. Kingston, NY MSA 28740	143	2.87	0.00	0.00	8.34	8.39	76.90	73.43	14.76	18.18	0.00	9.68	75.47	14.85
J. Ithaca, NY MSA 27060	65	1.30	0.00	0.00	6.41	10.77	82.16	78.46	11.43	10.77	0.00	8.61	81.68	9.72
K. NY Non-MSA Group B	97	1.94	0.00	0.00	1.04	0.00	81.58	79.38	17.38	20.62	0.00	0.63	80.27	19.10
L. NY Non-MSA Group C	43	0.86	0.00	0.00	4.83	2.33	68.51	67.44	26.65	30.23	0.00	6.29	66.38	27.34
M. Utica-Rome NY MSA 46540	94	1.88	3.44	0.00	10.51	12.77	56.56	56.38	29.49	30.85	2.13	9.59	55.85	32.40
N. Elmira, NY MSA 21300	11	0.22	0.59	0.00	13.03	27.27	50.94	54.55	35.43	18.18	0.77	10.85	48.33	40.05

(\*) Based on 2004 Aggregate HMDA Data Only

(\*\*) Home Mortgage Refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage loans originated and purchased in the rated area.

(\*\*\*) Percentage of Owner Occupied Units is the number or owner Occupied housing units in a particular geography divided by the number or owner Occupied housing units in the area based on 2000 Census information.

**Table 4. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: Small Loans to Businesses State: New York										Evaluation Period: January 1, 2004 to December 31, 2005				
MSA/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 **	% Businesses ***	% Bank Loans	% Businesses ***	% Bank Loans	% Businesses ***	% Bank Loans	% Businesses ***	% Bank Loans	Low	Moderate	Middle	Upper
<b>Full-Review:</b>														
A. Buffalo Niagara Falls NY MSA 15380	3,586	26.34	8.90	7.47	12.81	12.94	45.71	45.20	30.80	32.82	7.26	11.51	45.34	31.78
B. New York-Northern NJ-Long Island, MSA 35620	1,698	12.47	5.38	3.36	17.03	9.48	32.56	29.56	44.06	57.24	4.10	15.49	34.31	43.86
C. Rochester, NY MSA 40380	2,664	19.57	9.57	10.55	15.01	14.23	45.12	39.60	30.22	35.59	7.39	12.77	45.17	32.05
D. Syracuse, NY MSA 45060	1,592	11.70	16.41	14.57	9.37	7.91	44.20	50.88	30.02	26.63	14.16	8.74	46.67	27.08
E. Poughkeepsie Newburgh Middletown, NY MSA 39100	1,027	7.54	7.13	5.55	12.11	10.81	61.74	67.28	19.01	16.16	5.94	10.17	58.72	19.61
F. Albany-Schenectady-Troy MSA 10580	624	4.58	11.83	12.18	11.99	8.81	48.25	52.56	27.93	26.44	7.80	11.27	49.96	28.05
<b>Limited-Review:</b>														
G. Binghamton NY MSA 13780	949	6.97	8.30	9.91	18.46	21.60	52.79	39.52	20.45	28.98	7.90	16.49	48.66	21.81
H. NY Non-MSA Group A	564	4.14	2.74	3.19	9.59	7.98	73.49	71.10	14.18	17.73	2.92	8.31	71.20	13.87
I. Kingston, NY MSA 28740	327	2.40	0.00	0.00	11.39	10.09	74.87	75.54	13.75	14.37	0.00	9.23	67.73	14.82
J. Ithaca, NY MSA 27060	137	1.01	0.00	0.00	29.65	29.93	60.19	61.31	10.16	8.76	0.00	29.29	58.24	10.70
K. NY Non-MSA Group B	207	1.52	0.00	0.00	4.34	6.28	83.67	83.57	11.97	10.14	0.00	3.49	80.52	12.59
L. NY Non-MSA Group C	30	0.22	0.00	0.00	7.43	3.33	71.76	83.33	20.81	13.33	0.00	5.01	65.19	18.18
M. Utica-Rome NY MSA 46540	167	1.23	12.29	7.78	14.43	13.17	48.43	61.08	24.85	17.96	11.67	13.10	48.08	24.23
N. Elmira, NY MSA 21300	40	0.29	14.98	0.00	21.18	45.00	38.17	30.00	25.59	25.00	12.32	25.95	36.12	25.47

(\*) Based on 2004 Aggregate Small Business Data Only

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

(\*\*\*) Source of data – Dun & Bradstreet 2005.

**Table 5. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: Home Purchase		State: New York					Evaluation Period: January 1, 2004 to December 31, 2004							
MSA/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	Moderate	Middle	Upper
<b>Full-Review:</b>														
A. Buffalo Niagara Falls NY MSA 15380	1,534	26.00	20.32	13.43	18.04	36.05	22.06	17.67	39.58	18.77	10.50	24.62	21.30	26.46
B. New York-Northern NJ-Long Island, MSA 35620	650	11.02	25.88	4.62	16.56	22.46	18.47	21.69	39.10	36.00	1.11	7.38	18.99	49.65
C. Rochester, NY MSA 40380	1,091	18.49	19.54	19.89	18.06	38.50	22.77	18.61	39.63	15.31	11.61	26.71	22.66	24.77
D. Syracuse, NY MSA 45060	633	10.73	19.48	15.48	17.65	29.23	21.49	22.43	41.38	18.33	7.81	20.76	24.34	32.92
E. Poughkeepsie Newburgh Middletown, NY MSA 39100	362	6.14	18.94	5.25	17.88	24.59	24.27	33.70	38.91	28.45	3.52	15.40	27.89	37.40
F. Albany-Schenectady-Troy MSA 10580	637	10.80	18.70	5.65	18.24	27.94	23.02	25.75	40.04	25.59	6.21	22.10	25.51	32.73
<b>Limited-Review:</b>														
G. Binghamton NY MSA 13780	183	3.10	18.67	16.39	18.98	26.78	23.19	32.79	39.16	20.22	9.45	22.08	24.99	29.38
H. NY Non-MSA Group A	330	5.59	17.38	7.58	19.19	30.00	23.59	29.70	39.84	26.97	7.11	23.74	21.38	32.18
I. Kingston, NY MSA 28740	123	2.08	19.25	4.07	18.23	14.63	23.74	29.27	38.79	45.53	3.19	12.16	25.23	41.87
J. Ithaca, NY MSA 27060	42	0.71	19.51	16.67	17.93	28.57	23.37	30.95	39.19	19.05	9.53	20.95	24.57	38.40
K. NY Non-MSA Group B	122	2.07	16.83	4.92	17.07	22.13	23.42	31.97	42.68	29.51	5.46	20.71	25.68	34.68
L. NY Non-MSA Group C	51	0.86	20.35	1.96	16.53	1.96	20.31	15.69	42.81	64.71	1.36	8.64	19.71	52.91
M. Utica-Rome NY MSA 46540	128	2.17	19.44	6.25	17.56	28.91	22.42	35.16	40.58	24.22	9.46	21.44	24.84	30.70
N. Elmira, NY MSA 21300	14	0.24	19.55	14.29	18.46	42.86	22.82	7.14	39.17	21.43	10.55	26.54	25.04	29.37

Please note that table reflects 2004 lending only.

(\*) Home Purchase loans originated and purchased in the MSA/AA as a percentage of all Home Purchase loans originated and purchased in the rated area

(\*\*) Based on 2004 Aggregate HMDA DATA only.

(\*\*\*) Percentage of Families is based on the 2000 Census information.

**Table 6. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: Home Mortgage Refinance		State: New York		Evaluation Period: January 1, 2004 to December 31, 2005										
MSA/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	Moderate	Middle	Upper
<b>Full-Review:</b>														
A. Buffalo Niagara Falls NY MSA 15380	627	23.50	20.32	7.50	18.04	24.40	22.06	26.63	39.58	29.51	7.08	19.41	25.50	31.18
B. New York-Northern NJ-Long Island, MSA 35620	465	17.43	25.88	6.67	16.56	23.87	18.47	26.02	39.10	30.97	3.06	13.03	23.20	40.17
C. Rochester, NY MSA 40380	359	13.46	19.54	10.31	18.06	24.23	22.77	29.25	39.63	27.58	8.61	21.70	25.16	28.31
D. Syracuse, NY MSA 45060	245	9.18	19.48	6.94	17.65	19.18	21.49	30.20	41.38	30.20	6.73	18.96	24.87	32.80
E. Poughkeepsie Newburgh Middletown, NY MSA 39100	217	8.13	18.94	11.06	17.88	24.88	24.27	26.27	38.91	31.80	5.07	18.76	28.77	30.77
F. Albany-Schenectady-Troy MSA 10580	247	9.26	18.70	10.93	18.24	23.48	23.02	20.24	40.04	22.67	6.32	19.47	24.93	30.88
<b>Limited-Review:</b>														
G. Binghamton NY MSA 13780	89	3.34	18.67	14.61	18.98	15.73	23.19	29.21	39.16	28.09	9.36	17.99	24.91	32.42
H. NY Non-MSA Group A	183	6.86	17.38	4.92	19.19	20.22	23.59	32.24	39.84	35.52	5.59	19.67	26.49	33.72
I. Kingston, NY MSA 28740	69	2.59	19.25	2.90	18.23	27.54	23.74	17.39	38.79	40.58	4.48	18.19	26.10	34.91
J. Ithaca, NY MSA 27060	33	1.24	19.51	6.06	17.93	12.12	23.37	42.42	39.19	27.27	8.16	18.84	24.48	39.76
K. NY Non-MSA Group B	56	2.10	16.83	3.57	17.07	12.50	23.42	25.00	42.68	53.57	3.81	15.88	26.85	40.34
L. NY Non-MSA Group C	19	0.71	20.35	0.00	16.53	5.26	20.31	26.32	42.81	63.16	1.80	9.84	21.65	49.64
M. Utica-Rome NY MSA 46540	53	1.99	19.44	7.55	17.56	20.75	22.42	28.30	40.58	37.74	6.85	19.69	25.17	36.32
N. Elmira, NY MSA 21300	6	0.22	19.55	16.67	18.46	0.00	22.82	33.33	39.17	50.00	8.03	15.12	25.62	35.61

Please note that table reflects 2004 lending only.

(\*) Home Mortgage Refinance loans originated and purchased in the MSA/AA as a percentage of all Home Mortgage Refinance loans originated and purchased in the rated area.

(\*\*) Based on 2004 Aggregate HMDA data only.

(\*\*\*) Percentage of Families is based on the 2000 Census information.

FFIEC Interagency Core CRA PE Tables

Institution ID: 501105

**Table 7. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: Small Loans to Businesses		State: New York			Evaluation Period: January 1, 2004 to December 31, 2004				
MSA/Assessment Area	Total Small Loans to Businesses		Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Data ***	
	#	% of Total ****	% of Businesses *	% BANK Loans **	\$100,000 or Less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 million or less
<b>Full-Review:</b>									
A. Buffalo Niagara Falls NY MSA 15380	1,899	26.94	85.53	38.70	1,179	320	400	23,553	6,881
B. New York-Northern NJ-Long Island, MSA 35620	861	12.21	84.91	48.08	573	99	189	328,434	126,660
C. Rochester, NY MSA 40380	1,332	18.90	86.56	39.19	780	249	303	25,287	8,780
D. Syracuse, NY MSA 45060	858	12.17	86.59	45.10	569	158	131	13,717	4,586
E. Poughkeepsie Newburgh Middletown, NY MSA 39100	519	7.36	88.66	47.78	383	61	75	17,818	5,754
F. Albany-Schenectady-Troy MSA 10580	319	4.53	86.06	42.63	223	44	52	20,011	6,055
<b>Limited-Review:</b>									
G. Binghamton NY MSA 13780	487	6.91	87.03	41.07	319	94	74	5,530	1,501
H. NY Non-MSA Group A	291	4.13	86.92	49.83	225	31	35	8,242	3,054
I. Kingston, NY MSA 28740	184	2.61	89.70	58.15	151	19	14	5,990	1,890
J. Ithaca, NY MSA 27060	66	0.94	88.00	43.94	48	15	3	2,093	786
K. NY Non-MSA Group B	111	1.57	86.46	56.76	81	19	11	3,408	1,321
L. NY Non-MSA Group C	14	0.20	86.23	57.14	11	2	1	2,195	749
M. Utica-Rome NY MSA 46540	88	1.25	87.26	43.18	54	12	22	4,825	1,770
N. Elmira, NY MSA 21300	20	0.28	86.25	25.00	7	9	4	1,445	349

Please note that table depicts 2004 lending only.

(\*) Businesses with revenues Of \$1 million or less as a percentage of all businesses. Data- Dun & Bradstreet 2004.

(\*\*) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses.

(\*\*\*) Based on 2004 Aggregate Small Business data only.

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

FFIEC Interagency Core CRA PE Tables  
Table 8. Qualified Investments

Institution ID: 501105

Qualified Investments		State: New York		Evaluation Period: January 1, 2004 to December 31, 2005					
MSA/Assessment Area	Prior Period Investments *		Current Period Investments		Total Investments			Unfunded Investments **	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total \$'s	#	\$(000's)
<b>Full-Review:</b>									
A. Buffalo Niagara Falls NY MSA 15380	1	3,716	184	5,440	185	9,156	10	1	587
B. New York-Northern NJ-Long Island, MSA 35620	15	7,174	81	7,001	96	14,175	15	1	1,672
C. Rochester, NY MSA 40380	2	532	43	13,042	45	13,574	14	2	1,498
D. Syracuse, NY MSA 45060	2	425	56	4,607	58	5,032	5	1	1,868
E. Poughkeepsie Newburgh Middletown, NY MSA 39100	0	0	44	132	44	132	0	0	0
F. Albany-Schenectady-Troy MSA 10580	0	0	63	223	63	223	0	0	0
<b>Limited-Review:</b>									
G. Binghamton NY MSA 13780	0	0	22	511	22	511	1	0	0
H. NY Non-MSA Group A	0	0	16	5,572	16	5,572	6	0	0
I. Kingston, NY MSA 28740	0	0	13	232	13	232	0	0	0
J. Ithaca, NY MSA 27060	0	0	14	23,757	14	23,757	25	0	0
K. NY Non-MSA Group B	0	0	6	10	6	10	0	0	0
L. NY Non-MSA Group C	0	0	4	5	4	5	0	0	0
M. Utica-Rome NY MSA 46540	0	0	7	906	7	906	1	0	0
N. Elmira, NY MSA 21300	0	0	0	0	0	0	0	0	0
O. Statewide	0	8,653	5	13,744	14	22,397			

(\*) Prior period investments means investments made in a previous evaluation period that are outstanding as of examination date.

(\*\*) Unfunded commitments means legally binding investment commitments that are tracked and recorded by the Bank's financial reporting system.

FFIEC Interagency Core CRA PE Tables

Institution ID: 501105

**Table 9. Distribution of Branch Delivery System and Branch Openings/Closings**

Distribution of Branch Delivery System and Branch Openings/Closings																
State: New York Evaluation Period: January 1, 2004 to December 31, 2005																
MSA/Assessment Area	Branches					Branch Opening / Closings							Population			
	# of Bank Branches	Location of Branches by Income of Geographies				# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)				% of the Population within Each Geography				
		Low	Moderate	Middle	Upper			Low	Moderate	Middle	Upper	Low	Moderate	Middle	Upper	
A. Buffalo Niagara Falls NY MSA 15380	53	7	7	26	12	0	0	0	0	0	0	0	8.85	16.58	48.01	26.56
B. New York-Northern NJ-Long Island, MSA 35620	29	1	2	7	19	1	2	0	0	0	0	1	11.93	25.93	34.89	27.25
C. Rochester, NY MSA 40380	32	3	5	13	11	0	0	0	0	0	0	0	8.68	14.41	48.98	27.93
D. Syracuse, NY MSA 45060	29	4	2	15	8	0	0	0	0	0	0	0	10.10	13.01	44.81	32.09
E. Poughkeepsie Newburgh Middletown, NY MSA 39100	26	3	2	18	3	0	0	0	0	0	0	0	7.19	11.97	62.09	18.75
F. Albany-Schenectady-Troy MSA 10580	12	1	1	7	3	0	0	0	0	0	0	0	7.63	14.40	51.08	26.89
<b>Limited-Review:</b>																
G. Binghamton NY MSA 13780	15	3	2	7	3	3	1	0	0	-2	0	0	2.83	14.70	56.37	26.10
H. NY Non-MSA Group A	24	1	0	20	3	1	0	0	0	-1	0	0	0.95	7.75	77.25	14.05
I. Kingston, NY MSA 28740	6	0	1	5	0	0	0	0	0	0	0	0	0.00	11.46	75.10	13.44
J. Ithaca, NY MSA 27060	5	0	2	0	3	0	0	0	0	0	0	0	0.00	13.96	67.88	18.15
K. NY Non-MSA Group B	5	0	0	4	1	0	0	0	0	0	0	0	0.00	1.86	82.42	15.72
L. NY Non-MSA Group C	3	0	0	3	0	0	0	0	0	0	0	0	0.00	5.97	71.66	22.37
M. Utica-Rome NY MSA 46540	2	0	0	2	0	0	0	0	0	0	0	0	7.58	14.97	51.88	25.57
N. Elmira, NY MSA 21300	1	0	0	1	0	0	0	0	0	0	0	0	3.89	20.42	47.18	28.51

FFIEC Interagency Core CRA PE Tables  
Table 1. Lending Volume.

Institution ID: 501105

Lending Volume State: Pennsylvania			Evaluation Period: January 1, 2004 to December 31, 2005					
MSA/Assessment Area	Home Mortgage		Small Loans to Businesses		Community Development Loans		Total Reported Loans	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)
York Hanover MSA 49620	1,428	169,647	1,240	180,438	4	11,456	2,672	361,541
Harrisburg MSA 25420	1,000	108,401	1,080	157,100	2	180	2,082	265,681
Scranton Wilkes-Barre MSA 42540	1,303	131,718	914	105,291	4	14,033	2,221	251,042
PA Non-MSA Group A	1,511	119,913	786	96,904	12	16,407	2,309	233,224
Altoona MSA 11020	695	66,020	407	60,725	2	18,863	1,104	145,608
<b>Limited-Review:</b>								
Allentown Bethlehem MSA 10900	396	68,385	238	44,177	1	4,360	635	116,922
Lancaster MSA 29540	485	57,967	516	87,628	0	0	1,001	145,595
Lebanon MSA 30140	188	19,572	136	13,839	0	0	324	33,411
PA Non-MSA Group B	186	27,514	28	5,213	0	0	214	32,727
PA Non-MSA Group C	1,154	120,923	776	101,613	0	0	1,930	222,536
PA Non-MSA Group D	288	20,809	106	11,318	1	500	395	32,627
Reading MSA 39740	551	49,177	459	57,412	2	10,750	1,012	117,339
State College MSA 44300	424	50,962	327	54,712	1	5,800	752	111,474
Williamsport MSA 48700	460	36,154	177	21,636	4	10,500	641	68,290

FFIEC Interagency Core CRA PE Tables

Institution ID: 501105

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: Home Purchase State: Pennsylvania												Evaluation Period: January 1, 2004 to December 31, 2005			
MSA/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 Occupied Units***	% Bank Loans	% Owner Occupied Units***	% Bank Loans	% Owner Occupied Units***	% Bank Loans	% Owner Occupied Units***	% Bank Loans	Low	Moderate	Middle	Upper	
<b>Full-Review:</b>															
York Hanover MSA 49620	529	12.88	1.50	1.70	5.60	7.56	84.99	86.77	7.91	3.97	1.31	6.51	84.47	7.72	
Harrisburg MSA 25420	432	10.52	1.72	4.86	13.78	17.82	59.10	50.46	25.41	26.85	2.37	16.47	53.15	28.01	
Scranton Wilkes Barre MSA 42540	556	13.53	0.03	0.00	7.89	6.65	74.88	71.04	17.20	22.30	0.13	9.19	67.89	22.79	
PA Non-MSA Group A	505	12.29	0.00	0.00	8.36	6.93	80.35	80.40	11.28	12.67	0.00	8.58	75.86	15.56	
Altoona MSA 11020	353	8.59	0.17	0.28	13.78	13.88	76.33	68.56	9.73	17.28	0.74	16.40	70.19	12.67	
<b>Limited-Review:</b>															
Allentown Bethlehem MSA 10900	138	3.36	1.36	0.00	18.94	52.90	52.68	37.68	27.02	9.42	2.35	23.52	45.47	28.66	
Lancaster MSA 29540	230	5.60	1.17	1.74	6.39	10.87	81.91	76.09	10.53	11.30	1.61	9.29	77.85	11.26	
Lebanon MSA 30140	64	1.56	0.00	0.00	11.94	7.81	69.36	59.38	18.70	32.81	0.00	14.09	64.56	21.35	
PA Non-MSA Group B	86	2.09	0.00	0.00	0.00	0.00	33.63	50.00	66.37	50.00	0.00	0.00	45.69	54.31	
PA Non-MSA Group C	488	11.88	0.00	0.00	3.16	6.97	65.19	65.98	31.66	27.05	0.00	2.94	64.33	32.74	
PA Non-MSA Group D	118	2.87	0.00	0.00	17.00	11.86	83.00	88.14	0.00	0.00	0.00	23.52	76.48	0.00	
Reading MSA 39740	163	3.97	3.01	2.45	10.08	12.27	70.43	74.85	16.49	10.43	2.73	12.66	65.64	18.97	
State College MSA 44300	198	4.82	0.16	1.01	18.90	23.74	48.00	32.83	32.94	41.41	1.04	15.63	45.66	37.53	
Williamsport MSA 48700	248	6.04	0.00	0.00	9.82	19.76	85.38	76.61	4.81	3.63	0.00	17.28	77.79	4.94	

(\*) Based on 2004 Aggregate HMDA Data only.

(\*\*) Home Purchase loans originated and purchased in the MSA/AA as a percentage of all Home Purchase loans originated and purchased in the rated areas.

(\*\*\*) 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 2000 Census information.

FFIEC Interagency Core CRA PE Tables

Institution ID: 501105

Table 3. Geographic Distribution of Home Refinance Loans

Geographic Distribution: Home Mortgage Refinance State: Pennsylvania											Evaluation Period: January 1, 2004 to December 31, 2005			
MSA/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	Moderate	Middle	Upper
<b>Full-Review:</b>														
York Hanover MSA 49620	746	15.43	1.50	1.61	5.60	5.50	84.99	85.66	7.91	7.24	1.08	4.78	85.24	8.91
Harrisburg MSA 25420	447	9.25	1.72	1.12	13.78	10.51	59.10	61.07	25.41	27.29	1.43	12.95	58.31	27.32
Scranton Wilkes Barre MSA 42540	645	13.34	0.03	0.00	7.89	4.65	74.88	71.01	17.20	24.34	0.00	7.61	70.66	21.73
PA Non-MSA Group A	781	16.16	0.00	0.00	8.36	4.99	80.35	80.28	11.28	14.72	0.00	7.53	78.02	14.45
Altoona MSA 11020	230	4.76	0.17	0.00	13.78	11.30	76.33	74.35	9.73	14.35	0.84	13.78	74.85	10.53
<b>Limited-Review:</b>														
Allentown Bethlehem MSA 10900	229	4.74	1.36	1.31	18.94	29.69	52.68	49.34	27.02	19.65	1.41	18.26	50.92	29.41
Lancaster MSA 29540	223	4.61	1.17	0.90	6.39	8.97	81.91	79.82	10.53	10.31	1.22	5.63	82.11	11.04
Lebanon MSA 30140	112	2.32	0.00	0.00	11.94	13.39	69.36	61.61	18.70	25.00	0.00	11.79	68.33	19.89
PA Non-MSA Group B	95	1.97	0.00	0.00	0.00	0.00	33.63	29.47	66.37	70.53	0.00	0.00	35.79	64.21
PA Non-MSA Group C	539	11.15	0.00	0.00	3.16	2.41	65.19	63.45	31.66	34.14	0.00	2.38	60.03	37.59
PA Non-MSA Group D	117	2.42	0.00	0.00	17.00	14.53	83.00	85.47	0.00	0.00	0.00	19.74	80.26	0.00
Reading MSA 39740	310	6.41	3.01	2.90	10.08	3.55	70.43	76.45	16.49	17.10	1.63	6.37	72.56	19.44
State College MSA 44300	202	4.18	0.16	0.00	18.90	18.81	48.00	58.42	32.94	22.77	0.45	16.34	47.32	35.86
Williamsport MSA 48700	158	3.27	0.00	0.00	9.82	10.76	85.38	84.81	4.81	4.43	0.00	9.70	85.48	4.82

(\*) Based on 2004 Aggregate HMDA Data Only

(\*\*) Home Mortgage Refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage loans originated and purchased in the rated area.

(\*\*\*) Percentage of Owner Occupied Units is the number or owner Occupied housing units in a particular geography divided by the number or owner Occupied housing units in the area based on 2000 Census information.

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Table 4. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: Small Loans to Businesses State: Pennsylvania											Evaluation Period: January 1, 2004 to December 31, 2005			
MSA/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 **	% Businesses ***	% Bank Loans	% Businesses ***	% Bank Loans	% Businesses ***	% Bank Loans	% Businesses ***	% Bank Loans	Low	Moderate	Middle	Upper
<b>Full-Review:</b>														
York Hanover MSA 49620	1,240	17.25	6.18	4.27	9.08	10.89	77.42	78.06	7.32	6.77	4.76	8.53	76.04	7.51
Harrisburg MSA 25420	1,080	15.02	2.35	3.61	16.23	20.37	61.37	51.11	20.05	24.91	1.74	14.36	58.74	22.50
Scranton Wilkes Barre MSA 42540	914	12.71	3.23	1.42	9.32	8.97	71.13	71.55	16.32	18.05	2.63	8.53	66.22	18.97
PA Non-MSA Group A	786	10.93	0.00	0.00	10.90	12.85	75.13	63.36	13.97	23.79	0.00	9.69	69.05	14.00
Altoona MSA 11020	407	5.66	4.61	3.93	17.91	21.13	67.27	56.76	10.22	18.18	3.94	13.10	60.80	11.93
<b>Limited-Review:</b>														
Allentown Bethlehem MSA 10900	238	3.31	4.54	2.10	20.00	24.79	50.52	46.64	24.95	26.47	4.55	17.79	48.32	27.04
Lancaster MSA 29540	516	7.18	3.95	4.07	7.86	15.31	78.43	68.02	9.75	12.60	2.51	5.68	79.09	10.61
Lebanon MSA 30140	136	1.89	0.00	0.00	16.78	22.06	68.23	66.91	14.99	11.03	0.00	15.35	63.44	18.80
PA Non-MSA Group B	28	0.39	0.00	0.00	0.00	0.00	40.12	35.71	59.88	64.29	0.00	0.00	32.54	55.20
PA Non-MSA Group C	776	10.79	0.00	0.00	5.03	6.06	65.99	66.37	28.98	27.58	0.00	4.82	60.32	31.26
PA Non-MSA Group D	106	1.47	0.00	0.00	33.07	27.36	66.93	72.64	0.00	0.00	0.00	28.42	68.19	0.00
Reading MSA 39740	459	6.38	8.42	6.54	7.12	3.27	68.68	75.38	15.78	14.81	5.47	4.51	65.84	21.00
State College MSA 44300	327	4.55	8.64	5.50	14.42	13.15	41.10	51.99	33.72	28.44	7.97	11.11	42.64	33.68
Williamsport MSA 48700	177	2.46	0.00	0.00	25.49	24.29	71.46	70.62	3.05	5.08	0.00	17.28	76.12	4.13

(\*) Based on 2004 Aggregate Small Business Data Only

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

(\*\*\*) Source of data – Dun & Bradstreet 2005.

FFIEC Interagency Core CRA PE Tables

Institution ID: 501105

Table 5. Borrower Distribution of Home Purchase Loans

Borrower Distribution: Home Purchase		State: Pennsylvania				Evaluation Period: January 1, 2004 to December 31, 2005								
MSA/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	Moderate	Middle	Upper
<b>Full-Review:</b>														
York Hanover MSA 49620	250	12.20	15.97	13.60	19.58	36.40	27.06	18.40	37.39	21.20	8.33	22.54	27.11	28.12
Harrisburg MSA 25420	238	11.62	17.43	18.07	18.84	39.92	23.80	17.23	39.93	16.39	9.06	24.78	23.37	29.16
Scranton Wilkes Barre MSA 42540	245	11.96	18.94	8.98	18.70	16.73	22.87	23.67	39.48	45.31	9.47	20.52	25.67	33.22
PA Non-MSA Group A	253	12.35	17.03	11.86	19.73	23.72	24.66	21.34	38.57	37.15	9.08	22.38	25.80	30.67
Altoona MSA 11020	198	9.66	18.13	14.65	19.05	32.32	24.47	10.61	38.35	37.37	8.98	21.88	21.26	31.44
<b>Limited-Review:</b>														
Allentown Bethlehem MSA 10900	65	3.17	19.17	10.77	19.95	27.69	23.63	30.77	37.26	29.23	8.92	22.52	24.59	31.54
Lancaster MSA 29540	97	4.73	15.72	19.59	19.65	34.02	26.54	12.37	38.08	17.53	9.41	23.71	26.06	26.14
Lebanon MSA 30140	32	1.56	16.70	6.25	19.90	21.88	25.21	37.50	38.19	25.00	8.31	23.79	29.66	25.62
PA Non-MSA Group B	41	2.00	12.63	0.00	14.32	12.20	19.91	26.83	53.14	56.10	1.33	8.12	21.85	54.68
PA Non-MSA Group C	221	10.79	13.33	8.14	17.79	33.03	24.44	17.65	44.45	31.67	4.24	17.71	23.38	40.85
PA Non-MSA Group D	51	2.49	21.70	25.49	21.71	39.22	24.35	17.65	32.23	17.65	11.50	23.61	25.52	25.26
Reading MSA 39740	102	4.98	17.77	19.61	19.02	29.41	24.39	16.67	38.82	25.49	12.19	22.60	25.99	25.30
State College MSA 44300	104	5.08	18.07	13.46	19.43	15.38	23.43	25.96	39.07	42.31	7.60	17.22	25.83	37.43
Williamsport MSA 48700	152	7.42	16.66	12.50	20.04	39.47	24.77	24.34	38.54	22.37	7.80	24.11	25.69	31.20

Please note that table reflects 2004 lending only.

(\*) Home Purchase loans originated and purchased in the MSA/AA as a percentage of all Home Purchase loans originated and purchased in the rated area

(\*\*) Based on 2004 Aggregate HMDA DATA only.

(\*\*\*) Percentage of Families is based on the 2000 Census information.

FFIEC Interagency Core CRA PE Tables

Institution ID: 501105

**Table 6. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: Home Mortgage Refinance		State: Pennsylvania		Evaluation Period: January 1, 2004 to December 31, 2005											
MSA/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	Upp	
<b>Full-Review:</b>															
York Hanover MSA 49620	472	16.23	15.97	8.90	19.58	23.52	27.06	29.87	37.39	31.36	6.90	19.75	25.84	28.75	
Harrisburg MSA 25420	261	8.97	17.43	8.81	18.84	25.29	23.80	31.03	39.93	30.27	7.65	19.35	25.42	30.89	
Scranton Wilkes Barre MSA 42540	377	12.96	18.94	6.90	18.70	15.12	22.87	25.46	39.48	48.28	7.95	18.03	26.37	35.25	
PA Non-MSA Group A	481	16.53	17.03	5.82	19.73	15.80	24.66	32.64	38.57	42.83	6.98	18.88	27.06	34.67	
Altoona MSA 11020	117	4.02	18.13	7.69	19.05	14.53	24.47	39.32	38.35	35.04	8.45	17.20	26.49	33.67	
<b>Limited-Review:</b>															
Allentown Bethlehem MSA 10900	156	5.36	19.17	8.33	19.95	16.67	23.63	23.08	37.26	21.79	8.11	21.05	25.98	28.66	
Lancaster MSA 29540	127	4.37	15.72	6.30	19.65	20.47	26.54	32.28	38.08	28.35	7.37	19.99	27.40	26.72	
Lebanon MSA 30140	72	2.48	16.70	8.33	19.90	23.61	25.21	29.17	38.19	31.94	7.93	20.79	27.46	27.82	
PA Non-MSA Group B	57	1.96	12.63	3.51	14.32	3.51	19.91	24.56	53.14	49.12	2.62	9.97	20.70	51.28	
PA Non-MSA Group C	313	10.76	13.33	5.75	17.79	16.93	24.44	31.95	44.45	39.30	4.57	14.80	26.44	39.00	
PA Non-MSA Group D	73	2.51	21.70	5.48	21.71	26.03	24.35	26.03	32.23	39.73	9.75	22.44	27.08	30.08	
Reading MSA 39740	187	6.43	17.77	12.83	19.02	24.06	24.39	29.95	38.82	24.06	8.43	21.69	26.42	27.80	
State College MSA 44300	116	3.99	18.07	4.31	19.43	18.10	23.43	29.31	39.07	42.24	7.64	17.26	25.73	35.76	
Williamsport MSA 48700	100	3.44	16.66	3.00	20.04	25.00	24.77	32.00	38.54	39.00	6.27	18.56	25.19	35.96	

Please note that table reflects 2004 lending only.

(\*) Home Mortgage Refinance loans originated and purchased in the MSA/AA as a percentage of all Home Mortgage Refinance loans originated and purchased in the rated area.

(\*\*) Based on 2004 Aggregate HMDA data only.

(\*\*\*) Percentage of Families is based on the 2000 Census information.

FFIEC Interagency Core CRA PE Tables

Institution ID: 501105

Table 7. Borrower Distribution of Small Loans to Businesses

Geographic Distribution: Small Loans to Businesses State: Pennsylvania											Evaluation Period: January 01, 2004 TO December 31, 2004			
MSA/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 **	% Businesses ***	% BANK Loans	% Businesses ***	% BANK Loans	% Businesses ***	% BANK Loans	% Businesses ***	% BANK Loans	Low	Mod	Mid	Upp
<b>Full-Review:</b>														
Altoona MSA 11020	213	5.35	4.42	4.69	17.54	23.00	67.20	60.09	10.83	12.21	3.94	13.10	60.80	11.93
Harrisburg MSA 25420	654	16.43	2.26	2.45	16.05	21.56	61.20	51.22	20.49	24.77	1.74	14.36	58.74	22.50
PA Non-MSA Group A	408	10.25	0.00	0.00	10.61	12.50	75.08	64.71	14.30	22.79	0.00	9.69	69.05	14.00
Scranton Wilkes Barre MSA 42540	561	14.10	3.18	0.89	9.28	10.34	71.29	72.37	16.24	16.40	2.63	8.53	66.22	18.97
York Hanover MSA 49620	687	17.26	6.10	4.37	8.92	11.64	77.64	77.29	7.34	6.70	4.76	8.53	76.04	7.51
<b>Limited-Review:</b>														
Allentown Bethlehem MSA 10900	121	3.04	4.48	2.48	19.53	21.49	50.62	51.24	25.37	24.79	4.55	17.79	48.32	27.04
Lancaster MSA 29540	290	7.29	3.86	3.79	7.75	17.93	78.50	66.90	9.89	11.38	2.51	5.68	79.09	10.61
Lebanon MSA 30140	80	2.01	0.00	0.00	15.84	25.00	69.08	60.00	15.08	15.00	0.00	15.35	63.44	18.80
PA Non-MSA Group B	9	0.23	0.00	0.00	0.00	0.00	39.66	33.33	60.34	66.67	0.00	0.00	32.54	55.20
PA Non-MSA Group C	392	9.85	0.00	0.00	5.00	6.89	65.65	61.48	29.35	31.63	0.00	4.82	60.32	31.26
PA Non-MSA Group D	56	1.41	0.00	0.00	32.83	23.21	67.17	76.79	0.00	0.00	0.00	28.42	68.19	0.00
Reading MSA 39740	238	5.98	8.33	7.98	6.93	3.36	68.68	75.21	16.06	13.45	5.47	4.51	65.84	21.00
State College MSA 44300	180	4.52	8.25	6.11	14.33	11.67	41.45	52.22	33.07	28.89	7.97	11.11	42.64	33.68
Williamsport MSA 48700	91	2.29	0.00	0.00	25.01	27.47	71.88	69.23	3.12	3.30	0.00	17.28	76.12	4.13

Please note that table depicts 2004 lending only.

(\*) Businesses with revenues of \$1 million or less as a percentage of all businesses. Data- Dun & Bradstreet 2004.

(\*\*) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses.

(\*\*\*) Based on 2004 Aggregate Small Business data only.

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

FFIEC Interagency Core CRA PE Tables  
Table 8. Qualified Investments

Institution ID: 501105

Qualified Investments		State: Pennsylvania		Evaluation Period: January 1, 2004 to December 31, 2005					
MSA/Assessment Area	Prior Period Investments *		Current Period Investments		Total Investments			Unfunded Investments **	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total \$'s	#	\$(000's)
<b>Full-Review:</b>									
York Hanover MSA 49620	2	165	17	120	19	285	2	0	0
Harrisburg MSA 25420	2	366	51	686	53	1,052	6	0	0
Scranton Wilkes Barre MSA 42540	0	0	17	120	17	120	1	0	0
PA Non-MSA Group A	3	671	10	39	13	710	4	0	0
Altoona MSA 11020	0	0	16	161	16	161	1	0	0
<b>Limited-Review:</b>									
Allentown Bethlehem MSA 10900	7	5,421	5	207	12	5,628	31	0	0
Lancaster MSA 29540	3	2,463	16	586	19	3,049	17	0	0
Lebanon MSA 30140	0	0	1	1	1	1	0	0	0
PA Non-MSA Group B	0	0	0	0	0	0	35	0	0
PA Non-MSA Group C	1	250	12	278	13	528	3	0	0
PA Non-MSA Group D	0	0	0	0	0	0	0	0	0
Reading MSA 39740	0	0	10	29	10	29	0	0	0
State College MSA 44300	0	0	15	52	15	52	0	0	0
Williamsport MSA 48700	0	0	7	28	7	28	0	0	0
Statewide	2	6,312	4	14	6	6,326			

(\*) Prior period investments means investments made in a previous evaluation period that are outstanding as of examination date.

(\*\*) Unfunded commitments means legally binding investment commitments that are tracked and recorded by the Bank's financial reporting system.

FFIEC Interagency Core CRA PE Tables

Institution ID: 501105

**Table 9. Distribution of Branch Delivery System and Branch Openings/Closings**

Distribution of Branch Delivery System and Branch Openings/Closings															
State: Pennsylvania Evaluation Period: January 1, 2004 to December 31, 2005															
MSA/Assessment Area	Branches					Branch Opening / Closings						Population			
	# of Bank Branches	Location of Branches by Income of Geographies				# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)				% of the Population within Each Geography			
		Low	Moderate	Middle	Upper			Low	Moderate	Middle	Upper	Low	Mod	Middle	Upper
York Hanover MSA 49620	31	1	4	25	1	1	1	0	0	0	0	3.68	8.14	80.70	7.48
Harrisburg MSA 25420	32	1	11	17	3	3	0	0	-2	0	-1	3.81	18.46	55.47	22.26
Scranton Wilkes Barre MSA 42540	18	0	2	13	3	0	0	0	0	0	0	0.46	10.26	73.22	16.06
PA Non-MSA Group A	30	0	5	21	4	1	0	0	0	-1	0	0.00	9.30	79.57	11.14
Altoona MSA 11020	11	1	3	6	1	1	0	0	0	-1	0	1.35	16.29	73.38	8.99
<b>Limited-Review:</b>															
Allentown Bethlehem MSA 10900	8	0	2	4	2	0	0	0	0	0	0	4.15	23.00	49.31	23.54
Lancaster MSA 29540	8	0	1	5	2	0	0	0	0	0	0	3.13	8.69	79.02	9.15
Lebanon MSA 30140	4	0	1	3	0	1	0	0	0	-1	0	0.00	16.43	67.01	16.55
PA Non-MSA Group B	1	0	0	0	1	0	0	0	0	0	0	0.00	0.00	37.16	62.84
PA Non-MSA Group C	19	0	4	12	3	0	0	0	0	0	0	0.00	4.12	66.01	29.87
PA Non-MSA Group D	5	0	0	5	0	0	0	0	0	0	0	0.00	22.35	77.65	0.00
Reading MSA 39740	15	1	1	10	3	1	0	0	0	0	-1	7.37	12.67	64.96	15.00
State College MSA 44300	9	1	1	5	2	1	0	0	0	-1	0	7.62	18.39	42.63	31.36
Williamsport MSA 48700	6	0	2	4	0	1	0	0	-1	0	0	0.00	18.22	77.66	4.12

FFIEC Interagency Core CRA PE Tables  
Table 1. Lending Volume

Institution ID: 501105

Lending Volume State: Maryland			Evaluation Period: January 1, 2004 to December 31, 2005					
MSA/Assessment Area	Home Mortgage		Small Loans to Businesses		Community Development Loans*		Total Reported Loans	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)
Baltimore Towson MSA 12580	2,660	603,675	3,237	486,325	14	94,585	5,911	1,184,585
<b>Limited-Review:</b>								
Hagerstown MSA 25180	348	56,243	326	34,471	0	0	674	90,714
MD Non-MSA Group A	139	16,858	96	6,124	1	43	236	23,025
MD Non-MSA Group B	68	11,133	71	19,086	0	0	139	30,219
MD Non-MSA Group C	118	48,325	16	1,292	0	0	138	100,617
MD Non-MSA Group D	91	19,358	38	5,912	0	0	129	25,270
Salisbury MSA 41540	116	50,535	112	21,750	0	0	228	72,285
Statewide					4	51,000		

FFIEC Interagency Core CRA PE Tables

Institution ID: 501105

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: Home Purchase		State: Maryland		Evaluation Period: January 1, 2004 to December 31, 2005											
MSA/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 Occupied Units***	% Bank Loans	% Owner Occupied Units***	% Bank Loans	% Owner Occupied Units***	% Bank Loans	% Owner Occupied Units***	% Bank Loans	% Owner Occupied Units***	% Bank Loans	Low	Moderate	Middle
<b>Full-Review:</b>															
Baltimore Towson, MD MSA 12580	973	75.14	4.55	10.17	16.09	30.01	42.83	42.24	36.52	17.57	3.71	15.79	45.45	35.05	
<b>Limited-Review:</b>															
Hagerstown MSA 25180	104	8.03	0.52	0.00	8.65	12.50	57.98	57.69	32.84	29.81	1.20	13.65	48.97	36.03	
MD Non-MSA Group A	55	4.25	0.00	0.00	75.66	72.73	24.34	27.27	0.00	0.00	0.00	43.20	56.80	0.00	
MD Non-MSA Group B	31	2.39	1.84	0.00	20.24	16.13	66.13	77.42	11.79	6.45	0.90	16.26	70.37	12.47	
MD Non-MSA Group C	58	4.48	0.00	0.00	0.03	0.00	30.51	81.03	69.46	18.97	0.00	0.05	45.36	54.59	
MD Non-MSA Group D	38	2.93	0.00	0.00	13.35	2.63	86.65	97.37	0.00	0.00	0.00	4.87	95.13	0.00	
Salisbury MSA 41540	36	2.78	0.29	0.00	9.77	8.33	67.72	55.56	22.22	36.11	0.81	9.49	64.89	24.81	

(\*) Based on 2004 Aggregate HMDA Data only.

(\*\*) Home Purchase loans originated and purchased in the MSA/AA as a percentage of all Home Purchase loans originated and purchased in the rated areas.

(\*\*\*) 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 2000 Census information.

FFIEC Interagency Core CRA PE Tables

Institution ID: 501105

**Table 3. Geographic Distribution of Home Refinance Loans**

Geographic Distribution: Home Mortgage Refinance State: Maryland											Evaluation Period: January 1, 2004 to December 31, 2005			
MSA/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	Moderate	Middle	Upper
<b>Full-Review:</b>														
Baltimore Towson MSA 12580	1,458	75.54	4.55	3.02	16.09	21.74	42.83	51.99	36.52	23.18	2.24	12.62	47.37	37.77
<b>Limited-Review:</b>														
Hagerstown MSA 25180	205	10.62	0.52	0.00	8.65	8.29	57.98	59.51	32.84	32.20	0.69	9.55	53.97	35.76
MD Non-MSA Group A	72	3.73	0.00	0.00	75.66	79.17	24.34	20.83	0.00	0.00	0.00	59.18	40.82	0.00
MD Non-MSA Group B	31	1.61	1.84	3.23	20.24	12.90	66.13	83.87	11.79	0.00	1.76	16.18	71.04	11.02
MD Non-MSA Group C	54	2.80	0.00	0.00	0.03	0.00	30.51	44.44	69.46	55.56	0.00	0.04	32.72	67.24
MD Non-MSA Group D	40	2.07	0.00	0.00	13.35	7.50	86.65	92.50	0.00	0.00	0.00	7.15	92.85	0.00
Salisbury MSA 41540	70	3.63	0.29	0.00	9.77	5.71	67.72	70.00	22.22	24.29	0.60	9.04	64.35	26.01

(\*) Based on 2004 Aggregate HMDA Data Only

(\*\*) Home Mortgage Refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage loans originated and purchased in the rated area.

(\*\*\*) Percentage of Owner Occupied Units is the number or owner Occupied housing units in a particular geography divided by the number or owner Occupied housing units in the area based on 2000 Census information.

FFIEC Interagency Core CRA PE Tables

Institution ID: 501105

Table 4. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: Small Loans to Businesses		State: Maryland					Evaluation Period: January 1, 2004 to December 31, 2005							
MSA/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 **	% Businesses ***	% Bank Loans	% Businesses ***	% Bank Loans	% Businesses ***	% Bank Loans	% Businesses ***	% Bank Loans	Low	Moderate	Middle	Upper
<b>Full-Review:</b>														
Baltimore Towson MSA 12580	3,237	83.09	5.42	3.68	15.12	13.56	42.76	47.14	36.67	35.50	3.18	11.36	43.59	39.68
<b>Limited-Review:</b>														
Hagerstown MSA 25180	326	8.37	7.58	3.37	16.66	15.03	47.49	61.66	28.23	19.94	6.61	16.54	50.83	23.56
MD Non-MSA Group A	96	2.46	0.00	0.00	76.96	79.17	23.04	20.83	0.00	0.00	0.00	69.53	26.06	0.00
MD Non-MSA Group B	71	1.82	2.23	0.00	23.09	22.54	65.72	73.24	8.96	4.23	0.86	17.11	63.52	13.46
MD Non-MSA Group C	16	0.41	0.00	0.00	1.97	0.00	31.88	12.50	66.15	87.50	0.00	1.24	27.71	62.61
MD Non-MSA Group D	38	0.98	0.00	0.00	16.37	7.89	83.63	92.11	0.00	0.00	0.00	12.41	83.24	0.00
Salisbury MSA 41540	112	2.87	1.83	0.00	11.58	14.29	61.27	59.82	25.31	25.89	1.03	8.53	60.91	23.89

(\*) Based on 2004 Aggregate Small Business Data Only

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

(\*\*\*) Source of data – Dun & Bradstreet 2005.

FFIEC Interagency Core CRA PE Tables

Institution ID: 501105

Table 5. Borrower Distribution of Home Purchase Loans

Borrower Distribution: Home Purchase		State: Maryland				Evaluation Period: January 1, 2004-December 31, 2005									
MSA/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	Moderate	Middle	Upper	
<b>Full-Review:</b>															
Baltimore Towson MSA 12580	447	78.42	20.40	7.83	17.70	18.79	22.45	12.30	39.44	13.65	6.28	18.39	24.57	35.12	
<b>Limited-Review:</b>															
Hagerstown MSA 25180	44	7.72	16.73	4.55	17.67	15.91	23.85	11.36	41.75	45.45	3.56	13.22	24.07	43.87	
MD Non-MSA Group A	26	4.56	29.14	26.92	23.89	15.38	23.35	11.54	23.62	38.46	6.36	9.76	12.28	58.55	
MD Non-MSA Group B	11	1.93	21.73	0.00	19.25	27.27	23.87	9.09	35.14	63.64	4.14	15.02	20.93	45.21	
MD Non-MSA Group C	20	3.51	12.40	0.00	14.02	0.00	22.18	20.00	51.40	80.00	1.16	10.83	24.17	51.41	
MD Non-MSA Group D	10	1.75	20.15	0.00	19.43	0.00	25.53	30.00	34.89	60.00	1.43	4.96	10.82	68.86	
Salisbury MSA 41540	12	2.11	19.35	8.33	17.26	16.67	21.86	25.00	41.53	41.67	4.74	16.91	23.48	40.02	

Please note that table reflects 2004 lending only.

- (\*) Home Purchase loans originated and purchased in the MSA/AA as a percentage of all Home Purchase loans originated and purchased in the rated area.
- (\*\*) Based on 2004 Aggregate HMDA data only.
- (\*\*\*) Percentage of Families is based on the 2000 Census information.

FFIEC Interagency Core CRA PE Tables

Institution ID: 501105

**Table 6. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: Home Mortgage Refinance				State: Maryland		Evaluation Period: January 1, 2004 to December 31, 2005									
MSA/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	Upp	
<b>Full-Review:</b>															
Baltimore Towson MSA 12580	704	75.54	20.40	7.81	17.70	14.49	22.45	14.77	39.44	17.47	6.50	18.25	23.75	30.71	
<b>Limited-Review:</b>															
Hagerstown MSA 25180	105	11.27	16.73	9.52	17.67	14.29	23.85	29.52	41.75	24.76	4.30	15.43	24.83	32.93	
MD Non-MSA Group A	42	4.51	29.14	26.19	23.89	23.81	23.35	16.67	23.62	30.95	8.85	17.71	20.41	35.51	
MD Non-MSA Group B	16	1.72	21.73	0.00	19.25	18.75	23.87	25.00	35.14	31.25	6.79	19.19	23.50	32.23	
MD Non-MSA Group C	10	1.07	12.40	10.00	14.02	0.00	22.18	20.00	51.40	10.00	1.56	10.09	22.40	46.50	
MD Non-MSA Group D	19	2.04	20.15	0.00	19.43	31.58	25.53	21.05	34.89	36.84	4.95	12.38	16.83	48.49	
Salisbury MSA 41540	36	3.86	19.35	5.56	17.26	16.67	21.86	30.56	41.53	33.33	6.31	16.47	23.13	34.38	

Please note that table reflects 2004 lending only.

(\*) Home Mortgage Refinance loans originated and purchased in the MSA/AA as a percentage of all Home Mortgage Refinance loans originated and purchased in the rated area.

(\*\*) Based on 2004 Aggregate HMDA data only.

(\*\*\*) Percentage of Families is based on the 2000 Census information.

FFIEC Interagency Core CRA PE Tables

Institution ID: 501105

**Table 7. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: Small Loans to Businesses			State: Maryland		Evaluation Period: January 1, 2004 to December 31, 2004				
MA/Assessment Area	Total Small Loans to Businesses		Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Data ***	
	#	% of Total ****	% of Businesses *	% BANK Loans **	\$100,000 or Less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 million or less
<b>Full-Review:</b>									
Baltimore Towson MSA 12580	1,700	83.13	86.76	40.71	1,186	236	278	68,364	21,218
<b>Limited-Review:</b>									
Hagerstown MSA 25180	172	8.41	87.59	55.81	144	13	15	3,917	1,342
MD Non-MSA Group A	54	2.64	86.59	53.70	50	2	2	1,224	491
MD Non-MSA Group B	43	2.10	88.62	41.86	24	5	14	3,975	1,807
MD Non-MSA Group C	6	0.29	88.63	16.67	5	1	0	1,851	647
MD Non-MSA Group D	18	0.88	88.55	44.44	10	5	3	2,739	1,094
Salisbury MA 41540	52	2.54	87.38	34.62	29	12	11	2,625	892

Please note that table depicts 2004 lending only.

(\*) Businesses with revenues of \$1 million or less as a percentage of all businesses. Data- Dun & Bradstreet 2004.

(\*\*) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses.

(\*\*\*) Based on 2004 Aggregate Small Business data only.

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

FFIEC Interagency Core CRA PE Tables  
Table 8. Qualified Investments

Institution ID: 501105

Qualified Investments		State: Maryland		Evaluation Period: January 1, 2004 to December 31, 2005					
MSA/Assessment Area	Prior Period Investments *		Current Period Investments		Total Investments			Unfunded Investments **	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total \$'s	#	\$(000's)
<b>Full-Review:</b>									
Baltimore Towson MSA 12580	2	880	85	33,430	87	34,310	84	4	5,873
<b>Limited-Review:</b>									
Hagerstown MSA 25180	0	0	9	35	9	35	0	0	0
MD Non-MSA Group A	0	0	9	2,401	9	2,401	6	1	1,649
MD Non-MSA Group B	0	0	14	32	14	32	0	0	0
MD Non-MSA Group C	0	0	0	0	0	0	0	0	0
MD Non-MSA Group D	0	0	0	0	0	0	0	0	0
Salisbury MSA 41540	0	0	5	8	5	8	0	0	0
Statewide	2	3,907	3	20	5	3,927		0	0

(\*) Prior period investments means investments made in a previous evaluation period that are outstanding as of examination date.

(\*\*) Unfunded commitments means legally binding investment commitments that are tracked and recorded by the Bank's financial reporting system.

FFIEC Interagency Core CRA PE Tables

Institution ID: 501105

**Table 9. Distribution of Branch Delivery System and Branch Openings/Closings**

Distribution of Branch Delivery Systems and Branch Openings/Closings															
State: Maryland Evaluation Period: January 1, 2004 to December 31, 2005															
MSA/Assessment Area	Branches				Branch Opening / Closings				Population						
	# of Bank Branches	Location of Branches by Income of Geographies				# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)				% of the Population within Each Geography			
		Low	Moderate	Middle	Upper			Low	Moderate	Middle	Upper	Low	Mod	Middle	Upper
<b>Full-Review</b>															
Baltimore-Towson MSA 12580	73	2	13	34	24	4	0	0	-1	-3	0	8.96	20.09	40.29	30.65
<b>Limited-Review:</b>															
Hagerstown MSA 25180	11	0	2	7	2	2	0	0	-1	0	-1	1.85	14.70	54.53	28.92
MD Non-MSA Group A	3	0	2	1	0	1	0	0	-1	0	0	0.00	78.12	21.88	0.00
MD Non-MSA Group B	3	0	2	1	0	0	0	0	0	0	0	4.19	23.00	62.82	9.99
MD Non-MSA Group C	1	0	0	0	1	0	0	0	0	0	0	0.00	3.82	35.63	60.55
MD Non-MSA Group D	2	0	0	2	0	0	0	0	0	0	0	0.00	19.61	80.39	0.00
Salisbury MSA 41540	4	0	0	4	0	0	0	0	0	0	0	1.76	16.22	62.91	19.10

FFIEC Interagency Core CRA PE Tables  
Table 1. Lending Volume.

Institution ID: 501105

Lending Volume State: MSA 47900		Evaluation Period: January 1, 2004 to December 31, 2005							
MSA/Assessment Area	Home Mortgage		Small Loans to Businesses		Community Development Loans*		Total Reported Loans		
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full-Review:</b>									
MSA 47900 (Washington-Arlington-Alexandria, DC-VA-MD-WV)	2,215	798,103	1,787	248,983	16	105,241	4,018	1,152,327	

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: Home Purchase		State: MSA 47900		Evaluation Period: January 1, 2004 to December 31, 2005										
MSA/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 Occupied Units***	% Bank Loans	% Owner Occupied Units***	% Bank Loans	% Owner Occupied Units***	% Bank Loans	% Owner Occupied Units***	% Bank Loans	Low	Moderate	Middle	Upper
<b>Full-Review:</b>														
MSA 47900 (Washington-Arlington-Alexandria, DC-VA-MD-WV)	910	100.00	1.98	3.96	16.00	20.99	42.15	44.51	39.87	30.55	2.48	18.04	43.18	36.29

(\*) Based on 2004 Aggregate HMDA Data only.

(\*\*) Home Purchase loans originated and purchased in the MSA/AA as a percentage of all Home Purchase loans originated and purchased in the rated areas.

(\*\*\*) 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 2000 Census information.

FFIEC Interagency Core CRA PE Tables

Institution ID: 501105

**Table 3. Geographic Distribution of Home Refinance Loans**

Geographic Distribution: Home Mortgage Refinance State: MSA 47900												Evaluation Period: January 1, 2004 to December 31, 2005			
MSA/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	Moderate	Middle	Upper	
<b>Full-Review:</b>															
MSA 47900 (Washington-Arlington-Alexandria, DC-VA-MD-WV)	1,179	100.00	1.98	2.63	16.00	25.36	42.15	54.62	39.87	17.39	2.21	16.99	45.31	35.49	

(\*) Based on 2004 Aggregate HMDA Data Only

(\*\*) Home Mortgage Refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage loans originated and purchased in the rated area.

(\*\*\*) Percentage of Owner Occupied Units is the number or owner Occupied housing units in a particular geography divided by the number or owner Occupied housing units in the area based on 2000 Census information.

**Table 4. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: Small Loans to Businesses State: MSA 47900												Evaluation Period: January 01, 2004 to December 31, 2005			
MSA/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 **	% Businesses ***	% Bank Loans	% Businesses ***	% Bank Loans	% Businesses ***	% Bank Loans	% Businesses ***	% Bank Loans	Low	Moderate	Middle	Upper	
<b>Full-Review:</b>															
MSA 47900 (Washington-Arlington-Alexandria, DC-VA-MD-WV)	1,787	100.00	4.40	3.69	17.81	21.15	36.99	51.26	39.30	23.17	2.98	15.55	38.94	39.71	

(\*) Based on 2004 Aggregate Small Business Data Only

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

(\*\*\*) Source of data – Dun & Bradstreet 2004.

FFIEC Interagency Core CRA PE Tables

Institution ID: 501105

**Table 5. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: Home Purchase		State: MSA 47900										Evaluation Period: January 1, 2004 to December 31, 2005			
MSA/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	Moderate	Middle	Upper	
<b>Full-Review:</b>															
MSA 47900 (Washington-Arlington-Alexandria, DC-VA-MD-WV)	363	100.00	19.60	3.58	17.42	18.46	21.72	15.98	41.27	35.26	3.72	18.44	25.32	32.64	

Please note that table reflects 2004 lending only.

(\*) Home Purchase loans originated and purchased in the MSA/AA as a percentage of all Home Purchase loans originated and purchased in the rated area.

(\*\*\*) Percentage of Families is based on the 2000 Census information.

**Table 6. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: Home Mortgage Refinance		State: MSA 47900										Evaluation Period: January 1, 2004 to December 31, 2005			
MSA/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	Moderate	Middle	Upper	
<b>Full-Review:</b>															
MSA 47900 (Washington-Arlington-Alexandria, DC-VA-MD-WV)	492	100.00	19.60	8.74	17.42	16.26	21.72	12.40	41.27	12.80	7.71	20.51	23.21	28.12	

Please note that table reflects 2004 lending only.

(\*) Home Mortgage Refinance loans originated and purchased in the MSA/AA as a percentage of all Home Mortgage Refinance loans originated and purchased in the rated area.

(\*\*) Based on 2004 Aggregate HMDA data only.

(\*\*\*) Percentage of Families is based on the 2000 Census information.

FFIEC Interagency Core CRA PE Tables

Institution ID: 501105

**Table 7. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: Small Loans to Businesses				State: MSA 47900		Evaluation Period: January 1, 2004 to December 31, 2004				
MA/Assessment Area	Total Small Loans to Businesses		Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Data ***		
	#	% of Total ****	% of Businesses *	% BANK Loans **	\$100,000 or Less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 million or less	
<b>Full-Review:</b>										
MSA 47900 (Washington-Arlington-Alexandria, DC-VA-MD-WV)	978	100.00	86.15	40.39	720	128	130	114,223	37,025	

Please note that table depicts 2004 lending only.

(\*) Businesses with revenues Of \$1 million or less as a percentage of all businesses. Data- Dun & Bradstreet 2004.

(\*\*) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses.

(\*\*\*) Based on 2004 Aggregate Small Business data only.

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

**Table 8. Qualified Investments**

Qualified Investments		State: MSA 47900		Evaluation Period: January 1, 2004 to December 31, 2005					
MSA/Assessment Area	Prior Period Investments *		Current Period Investments		Total Investments			Unfunded Investments **	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total \$'s	#	\$(000's)
<b>Full-Review:</b>									
MSA 47900 (Washington-Arlington-Alexandria, DC-VA-MD-WV)	9	28,495	51	32,663	60	61,158	100	6	4,664

(\*) Prior period investments means investments made in a previous evaluation period that are outstanding as of examination date.

(\*\*) Unfunded commitments means legally binding investment commitments that are tracked and recorded by the Bank's financial reporting system.

FFIEC Interagency Core CRA PE Tables

Institution ID: 501105

**Table 9. Distribution of Branch Delivery System and Branch Openings/Closings**

Distribution of Branch Delivery System and Branch Openings/Closings															
State: MSA 47900 Evaluation Period: January 1, 2004 to December 31, 2005															
MSA/Assessment Area	Branches				Branch Opening / Closings				Population						
	# of Bank Branches	Location of Branches by Income of Geographies				# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)				% of the Population within Each Geography			
		Low	Moderate	Middle	Upper			Low	Moderate	Middle	Upper	Low	Moderate	Middle	Upper
MSA 47900 (Washington-Arlington-Alexandria, DC-VA-MD-WV)	53	1	14	26	11	3	0	0	0	-1	-2	5.57	23.62	38.44	32.37

FFIEC Interagency Core CRA PE Tables  
Table 1. Lending Volume.

Institution ID: 501105

Lending Volume State: MSA 37980		Evaluation Period: January 1, 2004 to December 31, 2005							
MSA/Assessment Area	Home Mortgage		Small Loans to Businesses		Community Development Loans*		Total Reported Loans		
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full-Review:</b>									
MSA 37980 (Philadelphia-Camden-Wilmington, PA-NJ-DE-MD)	1,246	223,267	911	156,961	14	32,416	2,172	412,894	

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: Home Purchase State: MSA 37980		Evaluation Period: January 1, 2004 to December 31, 2005												
MSA/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 Occupied Units***	% Bank Loans	% Owner Occupied Units***	% Bank Loans	% Owner Occupied Units***	% Bank Loans	% Owner Occupied Units***	% Bank Loans	Low	Moderate	Middle	Upper
<b>Full-Review:</b>														
MSA 37980 (Philadelphia-Camden-Wilmington, PA-NJ-DE-MD)	571	100.00	8.48	4.73	18.18	22.59	34.53	40.81	38.80	31.87	5.08	18.85	37.44	38.62

(\*) Based on 2004 Aggregate HMDA Data only.

(\*\*) Home Purchase loans originated and purchased in the MSA/AA as a percentage of all Home Purchase loans originated and purchased in the rated areas.

(\*\*\*) 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 2000 Census information.

FFIEC Interagency Core CRA PE Tables

Institution ID: 501105

**Table 3. Geographic Distribution of Home Refinance Loans**

Geographic Distribution: Home Mortgage Refinance State: MSA 37980											Evaluation Period: January 1, 2004 to December 31, 2005			
MSA/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	Moderate	Middle	Upper
<b>Full-Review:</b>														
MSA 37980 (Philadelphia-Camden-Wilmington, PA-NJ-DE-MD)	574	100.00	8.48	1.74	18.18	15.51	34.53	45.30	38.80	37.46	3.40	15.31	39.51	41.76

(\*) Based on 2004 Aggregate HMDA Data Only

(\*\*) Home Mortgage Refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage loans originated and purchased in the rated area.

(\*\*\*) Percentage of Owner Occupied Units is the number or owner Occupied housing units in a particular geography divided by the number or owner Occupied housing units in the area based on 2000 Census information.

**Table 4. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: Small Loans to Businesses State: MSA 37980											Evaluation Period: January 01, 2004 to December 31, 2005			
MA/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 **	% Businesses ***	% Bank Loans	% Businesses ***	% Bank Loans	% Businesses ***	% Bank Loans	% Businesses ***	% Bank Loans	Low	Moderate	Middle	Upper
<b>Full-Review:</b>														
MSA 37980 (Philadelphia-Camden-Wilmington, PA-NJ-DE-MD)	911	100.00	7.04	4.28	14.78	13.17	32.03	38.42	45.57	42.26	4.48	12.35	31.23	49.14

(\*) Based on 2004 Aggregate Small Business Data Only

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

(\*\*\*) Source of data – Dun & Bradstreet 2004.

FFIEC Interagency Core CRA PE Tables

Institution ID: 501105

**Table 5. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: Home Purchase		State: MSA 37980										Evaluation Period: January 1, 2004 to December 31, 2005			
MSA/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	Moderate	Middle	Upper	
<b>Full-Review:</b>															
MSA 37980 (Philadelphia-Camden-Wilmington, PA-NJ-DE-MD)	294	100.00	21.92	11.56	17.17	20.07	20.58	21.43	40.33	31.63	8.70	19.25	22.64	35.80	

Please note that table reflects 2004 lending only.

- (\*) Home Purchase loans originated and purchased in the MSA/AA as a percentage of all Home Purchase loans originated and purchased in the rated area
- (\*\*) Based on 2004 Aggregate HMDA DATA only.
- (\*\*\*) Percentage of Families is based on the 2000 Census information.

**Table 6. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: Home Mortgage Refinance		State: MSA 37980										Evaluation Period: January 1, 2004 to December 31, 2005			
MSA/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	Moderate	Middle	Upper	
<b>Full-Review:</b>															
MSA 37980 (Philadelphia-Camden-Wilmington, PA-NJ-DE-MD)	313	100.00	21.92	5.43	17.17	17.89	20.58	17.25	40.33	23.64	7.65	18.52	22.96	35.03	

Please note that table reflects 2004 lending only.

- (\*) Home Mortgage Refinance loans originated and purchased in the MSA/AA as a percentage of all Home Mortgage Refinance loans originated and purchased in the rated area.
- (\*\*) Based on 2004 Aggregate HMDA data only.
- (\*\*\*) Percentage of Families is based on the 2000 Census information.

FFIEC Interagency Core CRA PE Tables

Institution ID: 501105

**Table 7. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: Small Loans to Businesses				State: MSA 37980		Evaluation Period: January 1, 2004 to December 31, 2004			
MA/Assessment Area	Total Small Loans to Businesses		Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Data ***	
	#	% of Total ****	% of Businesses *	% BANK Loans **	\$100,000 or Less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 million or less
<b>Full-Review:</b>									
A 37980 (Philadelphia-Camden-Wilmington, PA-NJ-DE-MD)	501	100.00	85.41	45.91	323	87	91	105,125	33,957

Please note that table depicts 2004 lending only.

(\*) Businesses with revenues Of \$1 million or less as a percentage of all businesses. Data- Dun & Bradstreet 2004.

(\*\*) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses.

(\*\*\*) Based on 2004 Aggregate Small Business data only.

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

**Table 8. Qualified Investments**

Qualified Investments				State: MSA 37980		Evaluation Period: January 1, 2004 to December 31, 2005			
MSA/Assessment Area	Prior Period Investments *		Current Period Investments		Total Investments			Unfunded Investments **	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total \$'s	#	\$(000's)
<b>Full-Review:</b>									
MSA 37980 (Philadelphia-Camden-Wilmington, PA-NJ-DE-MD)	0	0	33	19,072	33	19,072	100	2	510

(\*) Prior period investments means investments made in a previous evaluation period that are outstanding as of examination date.

(\*\*) Unfunded commitments means legally binding investment commitments that are tracked and recorded by the Bank's financial reporting system.

FFIEC Interagency Core CRA PE Tables

Institution ID: 501105

**Table 9. Distribution of Branch Delivery System and Branch Openings/Closings**

Distribution of Branch Delivery System and Branch Openings/Closings															
State: MSA 37980 Evaluation Period: January 1, 2004 to December 31, 2005															
MSA/Assessment Area	Branches				Branch Opening / Closings				Population						
	# of Bank Branches	Location of Branches by Income of Geographies				# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)				% of the Population within Each Geography			
		Low	Moderate	Middle	Upper			Low	Moderate	Middle	Upper	Low	Moderate	Middle	Upper
MSA 37980 (Philadelphia-Camden-Wilmington, PA-NJ-DE-MD)	28	1	5	11	11	3	0	0	-1	-1	-1	11.94	20.70	33.13	34.23

FFIEC Interagency Core CRA PE Tables  
**Table 1. Lending Volume.**

Institution ID: 501105

Lending Volume State: MSA 19060		Evaluation Period: January 1, 2004 to December 31, 2005							
MSA/Assessment Area	Home Mortgage		Small Loans to Businesses		Community Development Loans*		Total Reported Loans		
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full-Review:</b>									
MSA 19060 (Cumberland, MD-WV)	418	30,976	185	19,325	0	0	603	50,301	

(\*) The evaluation period for Community Development Loans is January 1, 2004 to December 31, 2005.

**Table 2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: Home Purchase State: MSA 19060		Evaluation Period: January 1, 2004 to December 31, 2005												
MSA/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 Occupied Units***	% Bank Loans	% Owner Occupied Units***	% Bank Loans	% Owner Occupied Units***	% Bank Loans	% Owner Occupied Units***	% Bank Loans	Low	Moderate	Middle	Upper
<b>Full-Review:</b>														
MSA 19060 (Cumberland, MD-WV)	166	100.00	0.00	0.00	7.24	11.45	76.14	75.30	16.62	13.25	0.00	8.78	73.25	17.97

(\*) Based on 2004 Aggregate HMDA Data only.

(\*\*) Home Purchase loans originated and purchased in the MSA/AA as a percentage of all Home Purchase loans originated and purchased in the rated areas.

(\*\*\*) 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 2000 Census information.

FFIEC Interagency Core CRA PE Tables

Institution ID: 501105

**Table 3. Geographic Distribution of Home Refinance Loans**

Geographic Distribution: Home Mortgage Refinance			State: MSA 19060				Evaluation Period: January 1, 2004 to December 31, 2005							
MSA/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	Moderate	Middle	Upper
<b>Full-Review:</b>														
MSA 19060 (Cumberland, MD-WV)	199	100.00	0.00	0.00	7.24	5.03	76.14	77.89	16.62	17.09	0.00	7.80	72.82	19.38

(\*) Based on 2004 Aggregate HMDA Data Only

(\*\*) Home Mortgage Refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage loans originated and purchased in the rated area.

(\*\*\*) Percentage of Owner Occupied Units is the number or owner Occupied housing units in a particular geography divided by the number or owner Occupied housing units in the area based on 2000 Census information.

**Table 4. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: Small Loans to Businesses			State: MSA 19060				Evaluation Period: January 1, 2004 to December 31, 2005							
MSA/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 **	% Businesses ***	% Bank Loans	% Businesses ***	% Bank Loans	% Businesses ***	% Bank Loans	% Businesses ***	% Bank Loans	Low	Moderate	Middle	Upper
<b>Full-Review:</b>														
MSA 19060 (Cumberland, MD-WV)	185	100.00	0.00	0.00	7.68	3.78	76.59	67.57	15.73	28.65	0.00	6.83	70.30	16.97

(\*) Based on 2004 Aggregate Small Business Data Only

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

(\*\*\*) Source of data – Dun & Bradstreet 2005.

FFIEC Interagency Core CRA PE Tables

Institution ID: 501105

**Table 5. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: Home Purchase		State: MSA 19060		Evaluation Period: January 1, 2004 to December 31, 2005											
MSA/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	Moderate	Middle	Upper	
<b>Full-Review:</b>															
MSA 19060 (Cumberland, MD-WV)	88	100.00	18.53	18.18	19.05	46.59	23.76	14.77	38.67	18.18	9.64	21.41	24.00	32.32	

Please note that table reflects 2004 lending only.

(\*) Home Purchase loans originated and purchased in the MSA/AA as a percentage of all Home Purchase loans originated and purchased in the rated area

(\*\*) Based on 2004 Aggregate HMDA DATA only.

(\*\*\*) Percentage of Families is based on the 2000 Census information.

**Table 6. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: Home Mortgage Refinance		State: MSA 19060		Evaluation Period: January 1, 2004 to December 31, 2005											
MSA/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	Moderate	Middle	Upper	
<b>Full-Review:</b>															
MSA 19060 (Cumberland, MD-WV)	115	100.00	18.53	11.30	19.05	26.96	23.76	25.22	38.67	34.78	6.52	18.59	26.21	32.07	

Please note that table reflects 2004 lending only.

(\*) Home Mortgage Refinance loans originated and purchased in the MSA/AA as a percentage of all Home Mortgage Refinance loans originated and purchased in the rated area.

(\*\*) Based on 2004 Aggregate HMDA data only.

(\*\*\*) Percentage of Families is based on the 2000 Census information.

FFIEC Interagency Core CRA PE Tables

Institution ID: 501105

**Table 7. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: Small Loans to Businesses State: MSA 19060					Evaluation Period: January 1, 2004 to December 31, 2004				
MSA/Assessment Area	Total Small Loans to Businesses		Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Data ***	
	#	% of Total ****	% of Businesses *	% BANK Loans **	\$100,000 or Less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 million or less
<b>Full-Review:</b>									
MSA 19060 (Cumberland, MD-WV)	109	100.00	89.20	53.21	84	14	11	1,815	710

Please note that table reflects 2004 lending only.

(\*) Businesses with revenues Of \$1 million or less as a percentage of all businesses. Data- Dun & Bradstreet 2004.

(\*\*) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses.

(\*\*\*) Based on 2004 Aggregate Small Business data only.

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

**Table 8. Qualified Investments**

Qualified Investments State: MSA 19060					Evaluation Period: January 1, 2004 to December 31, 2005				
MSA/Assessment Area	Prior Period Investments *		Current Period Investments		Total Investments			Unfunded Investments **	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total \$'s	#	\$(000's)
<b>Full-Review:</b>									
MSA 19060 (Cumberland, MD-WV)	0	0	3	4	3	4	100	0	0

(\*) Prior period investments means investments made in a previous evaluation period that are outstanding as of examination date.

(\*\*) Unfunded commitments means legally binding investment commitments that are tracked and recorded by the Bank's financial reporting system.

FFIEC Interagency Core CRA PE Tables

Institution ID: 501105

**Table 9. Distribution of Branch Delivery System and Branch Openings/Closings**

Distribution of Branch Delivery System and Branch Openings/Closings															
State: MSA 19060 Evaluation Period: January 1, 2004 to December 31, 2005															
MSA/Assessment Area	Branches					Branch Opening / Closings					Population				
	# of Bank Branches	Location of Branches by Income of Geographies				# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)				% of the Population within Each Geography			
		Low	Moderate	Middle	Upper			Low	Moderate	Middle	Upper	Low	Moderate	Middle	Upper
MSA 19060 (Cumberland, MD-WV)	9	0	1	6	2	2	0	0	0	-2	0	0.00	8.20	77.47	14.33

FFIEC Interagency Core CRA PE Tables  
Table 1. Lending Volume.

Institution ID: 501105

Lending Volume		State: Delaware		Evaluation Period: January 1, 2004 to December 31, 2005					
MSA/Assessment Area	Home Mortgage		Small Loans to Businesses		Community Development Loans*		Total Reported Loans		
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full-Review:</b>									
Non-MSA Suffolk County, DE	103	17,833	21	2,587	0	0	124	20,420	

(\*) The evaluation period for Community Development Loans is January 1, 2004 to December 31, 2005.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: Home Purchase		State: Delaware		Evaluation Period: January 1, 2004 to December 31, 2005										
MSA/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 Occupied Units***	% Bank Loans	% Owner Occupied Units***	% Bank Loans	% Owner Occupied Units***	% Bank Loans	% Owner Occupied Units***	% Bank Loans	Low	Moderate	Middle	Upper
<b>Full-Review:</b>														
Non-MSA Suffolk County, DE	51	100.00	0.00	0.00	0.00	0.00	90.18	86.27	9.82	13.73	0.00	0.00	77.50	22.50

(\*) Based on 2004 Aggregate HMDA Data only.

(\*\*) Home Purchase loans originated and purchased in the MSA/AA as a percentage of all Home Purchase loans originated and purchased in the rated areas.

(\*\*\*) 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 2000 Census information.

FFIEC Interagency Core CRA PE Tables

Institution ID: 501105

**Table 3. Geographic Distribution of Home Refinance Loans**

Geographic Distribution: Home Mortgage Refinance			State: Delaware				Evaluation Period: January 1, 2004 to December 31, 2005							
MSA/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	Moderate	Middle	Upper
<b>Full-Review:</b>														
Non-MSA Suffolk County, DE	41	100.00	0.00	0.00	0.00	0.00	90.18	87.80	9.82	12.20	0.00	0.00	78.64	21.36

(\*) Based on 2004 Aggregate HMDA Data Only

(\*\*) Home Mortgage Refinance loans originated and purchased in the MSA/AA as a percentage of all home mortgage loans originated and purchased in the rated area.

(\*\*\*) Percentage of Owner Occupied Units is the number or owner Occupied housing units in a particular geography divided by the number or owner Occupied housing units in the area based on 2000 Census information.

**Table 4. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: Small Loans to Businesses			State: Delaware				Evaluation Period: January 1, 2004 to December 31, 2005							
MSA/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 **	% Businesses ***	% Bank Loans	% Businesses ***	% Bank Loans	% Businesses ***	% Bank Loans	% Businesses ***	% Bank Loans	Low	Moderate	Middle	Upper
<b>Full-Review:</b>														
Non-MSA Suffolk County, DE	21	100.00	0.00	0.00	0.00	0.00	77.51	95.24	22.49	4.76	0.00	0.00	75.95	18.09

(\*) Based on 2004 Aggregate Small Business Data Only

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

(\*\*\*) Source of data – Dun & Bradstreet 2005.

FFIEC Interagency Core CRA PE Tables

Institution ID: 501105

**Table 5. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: Home Purchase		State: Delaware										Evaluation Period: January 1, 2004 to December 31, 2005			
MSA/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	Moderate	Middle	Upper	
<b>Full-Review:</b>															
Non-MSA Suffolk County, DE	26	100.00	18.14	11.54	19.52	11.54	23.98	0.00	38.36	65.38	2.20	9.78	13.59	58.93	

Please note that table reflects 2004 lending only.

(\*) Home Purchase loans originated and purchased in the MSA/AA as a percentage of all Home Purchase loans originated and purchased in the rated area

(\*\*) Based on 2004 Aggregate HMDA data only.

(\*\*\*) Percentage of Families is based on the 2000 Census information.

**Table 6. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: Home Mortgage Refinance		State: Delaware										Evaluation Period: January 1, 2004 to December 31, 2005			
MSA/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	Moderate	Middle	Upper	
<b>Full-Review:</b>															
Non-MSA Suffolk County, DE	24	100.00	18.14	8.33	19.52	25.00	23.98	4.17	38.36	41.67	4.25	14.25	21.09	45.88	

Please note that table reflects 2004 lending only.

(\*) Home Mortgage Refinance loans originated and purchased in the MSA/AA as a percentage of all Home Mortgage Refinance loans originated and purchased in the rated area. .

(\*\*) Based on 2004 Aggregate HMDA data only.

(\*\*\*) Percentage of Families is based on the 2000 Census information.

FFIEC Interagency Core CRA PE Tables

Institution ID: 501105

**Table 7. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: Small Loans to Businesses					State: Delaware					Evaluation Period: January 1, 2004 to December 31, 2005				
MSA/Assessment Area	Total Small Loans to Businesses		Businesses with Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Data ***						
	#	% of Total ****	% of Businesses *	% BANK Loans **	\$100,000 or Less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev \$1 million or less					
<b>Full-Review:</b>														
Outside MA DE 1	11	100.00	89.00	36.36	10	1	0	5,180	1,870					

Please Note that table reflects 2004 loans only.

(\*) Businesses with revenues Of \$1 million or less as a percentage of all businesses. Data- Dun & Bradstreet 2004.

(\*\*) Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses.

(\*\*\*) Based on 2004 Aggregate Small Business data only.

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

**Table 8. Qualified Investments**

Qualified Investments					State: Delaware					Evaluation Period: January 1, 2004 to December 31, 2005				
MSA/Assessment Area	Prior Period Investments *		Current Period Investments		Total Investments			Unfunded Investments **						
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total \$'s	#	\$(000's)					
<b>Full-Review:</b>														
Non-MSA Suffolk County, DE	0	0	2	62	2	62	23	0	0					
Statewide	2	202	0	0	2	202	77	0	0					

(\*) Prior period investments means investments made in a previous evaluation period that are outstanding as of examination date.

(\*\*) Unfunded commitments means legally binding investment commitments that are tracked and recorded by the Bank's financial reporting system.

FFIEC Interagency Core CRA PE Tables

Institution ID: 501105

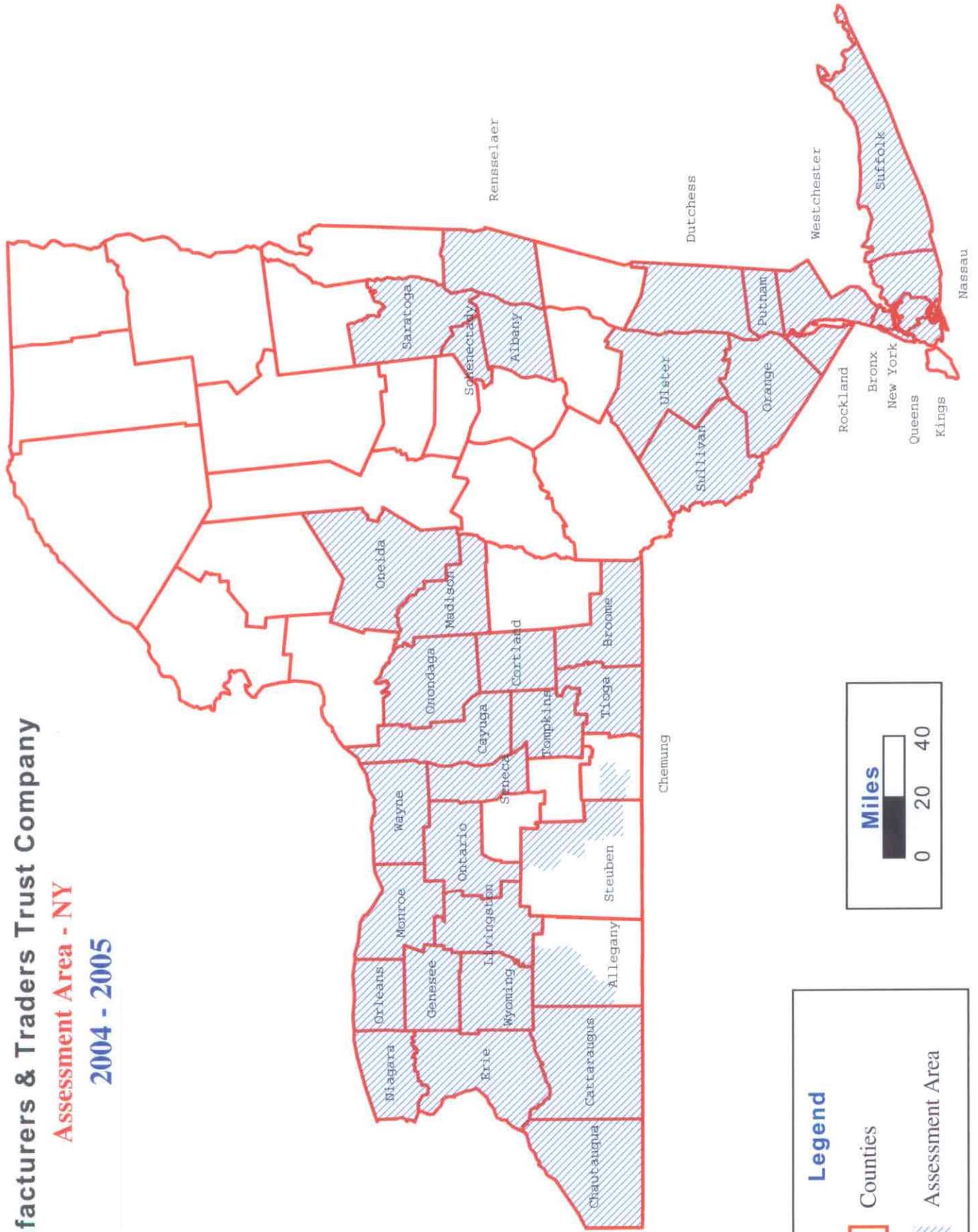
**Table 9. Distribution of Branch Delivery System and Branch Openings/Closings**

Distribution of Branch Delivery System and Branch Openings/Closings															
State: Delaware															
Evaluation Period: January 1, 2004 to December 31, 2005															
MSA/Assessment Area	Branches				Branch Opening / Closings				Population						
	# of Bank Branches	Location of Branches by Income of Geographies				# of Branch Closings	# of Branch Openings	Net Change in Location of Branches (+ or -)				% of the Population within Each Geography			
		Low	Moderate	Middle	Upper			Low	Moderate	Middle	Upper	Low	Moderate	Middle	Upper
Non-MSA Suffolk County, DE	1	0	0	1	0	0	0	0	0	0	0	0.00	0.00	92.26	7.74

# Manufacturers & Traders Trust Company

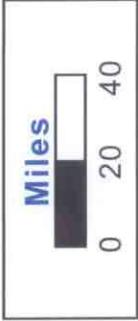
Assessment Area - NY

2004 - 2005

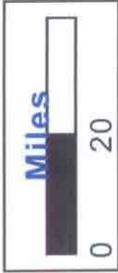
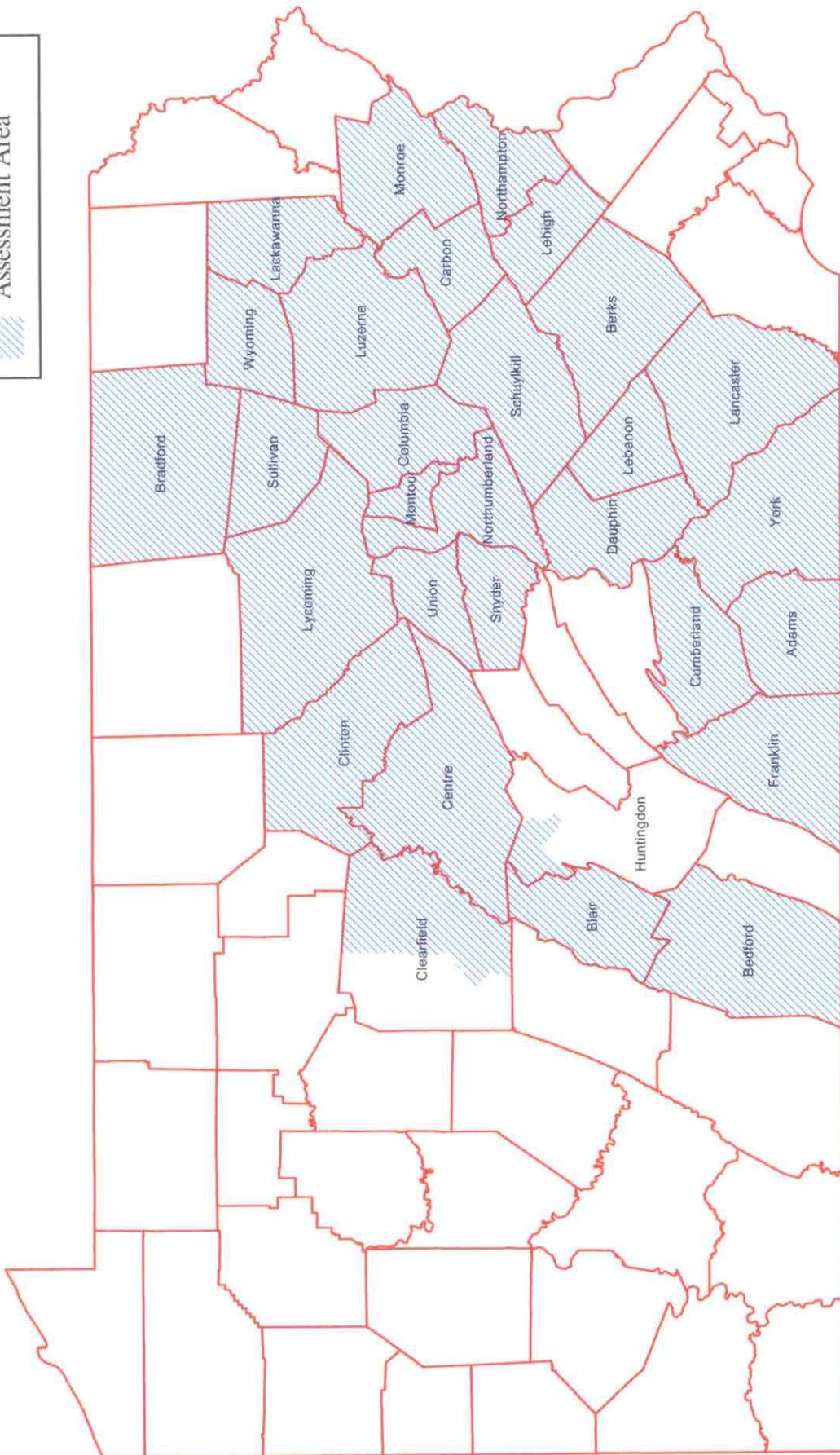


**Legend**

- Counties
- Assessment Area



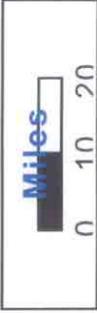
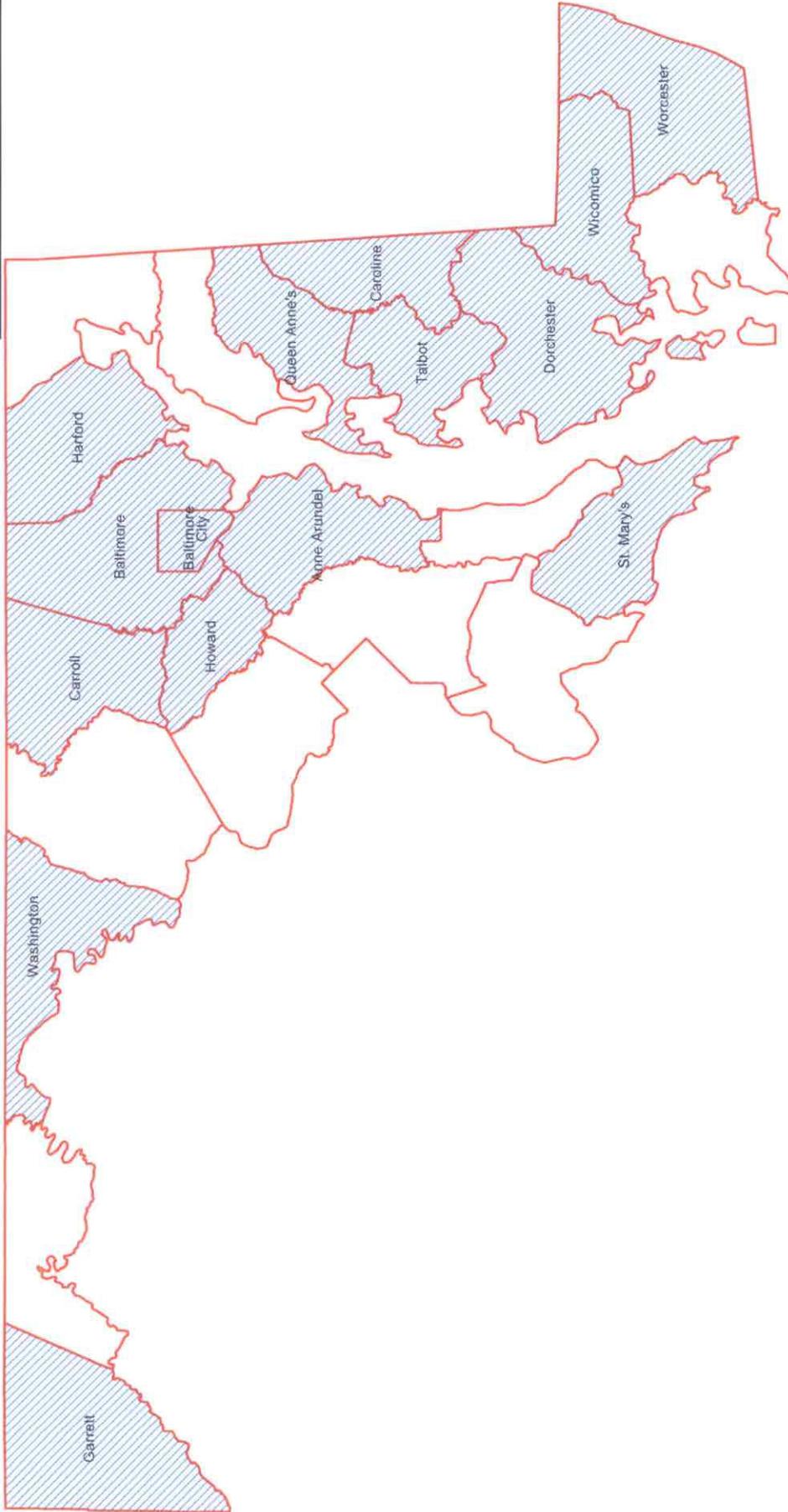
# Manufacturers & Traders TC Assessment Area - Pennsylvania 2004 - 2005



# Manufacturers & Traders TC Assessment Area - Maryland 2004 - 2005

**Legend**

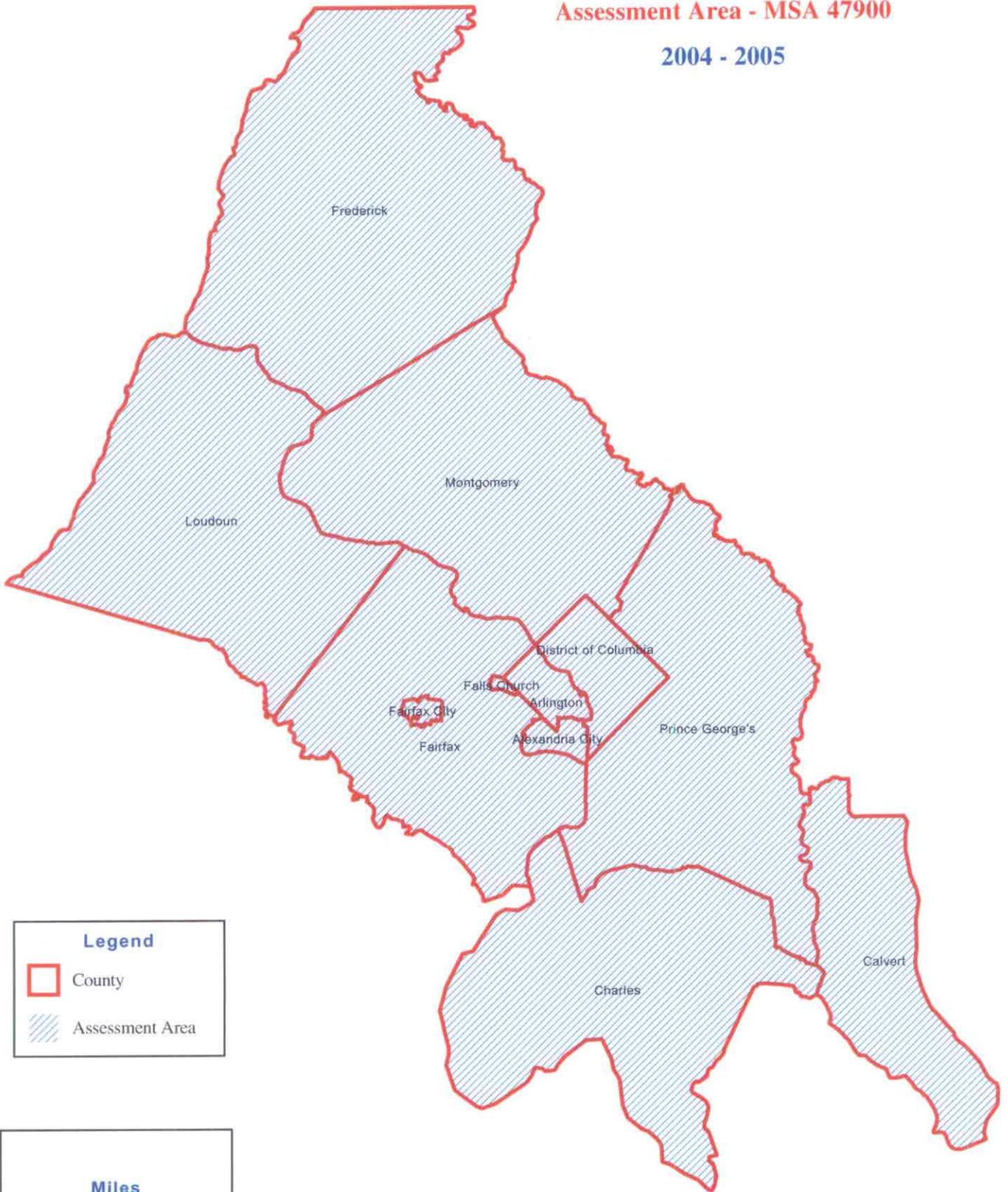
- County
- Assessment Area



# Manufacturers & Traders TC

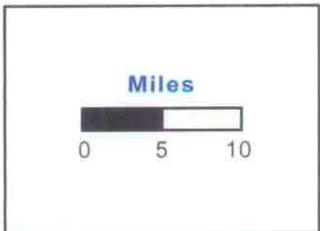
Assessment Area - MSA 47900

2004 - 2005



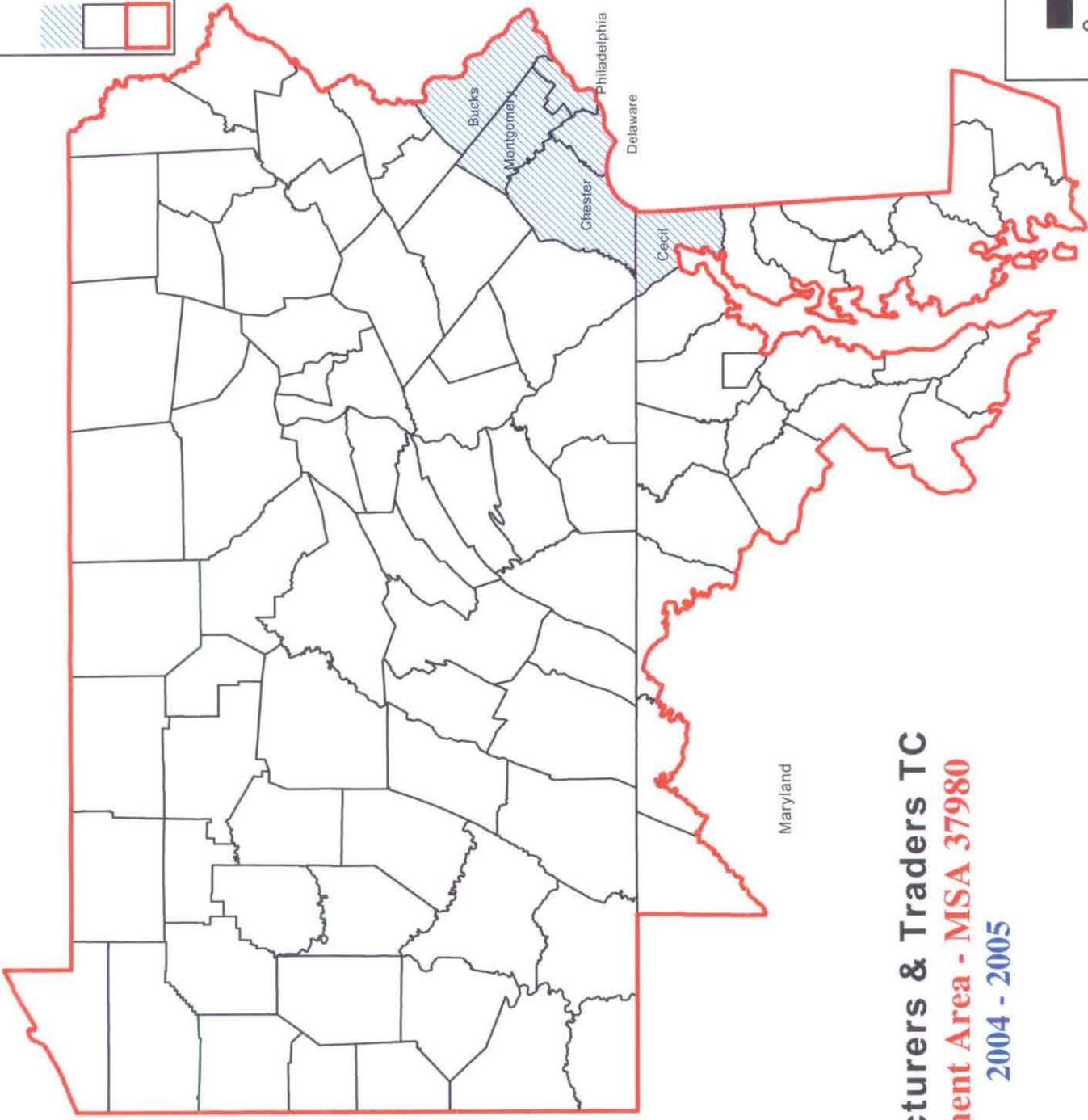
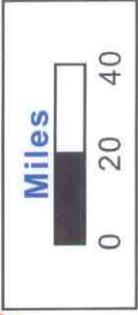
**Legend**

- County (Red outline)
- Assessment Area (Blue hatched pattern)



**Legend**

- Assessment Area
- County
- State Boundaries



**Manufacturers & Traders TC**  
**Assessment Area - MSA 37980**  
**2004 - 2005**

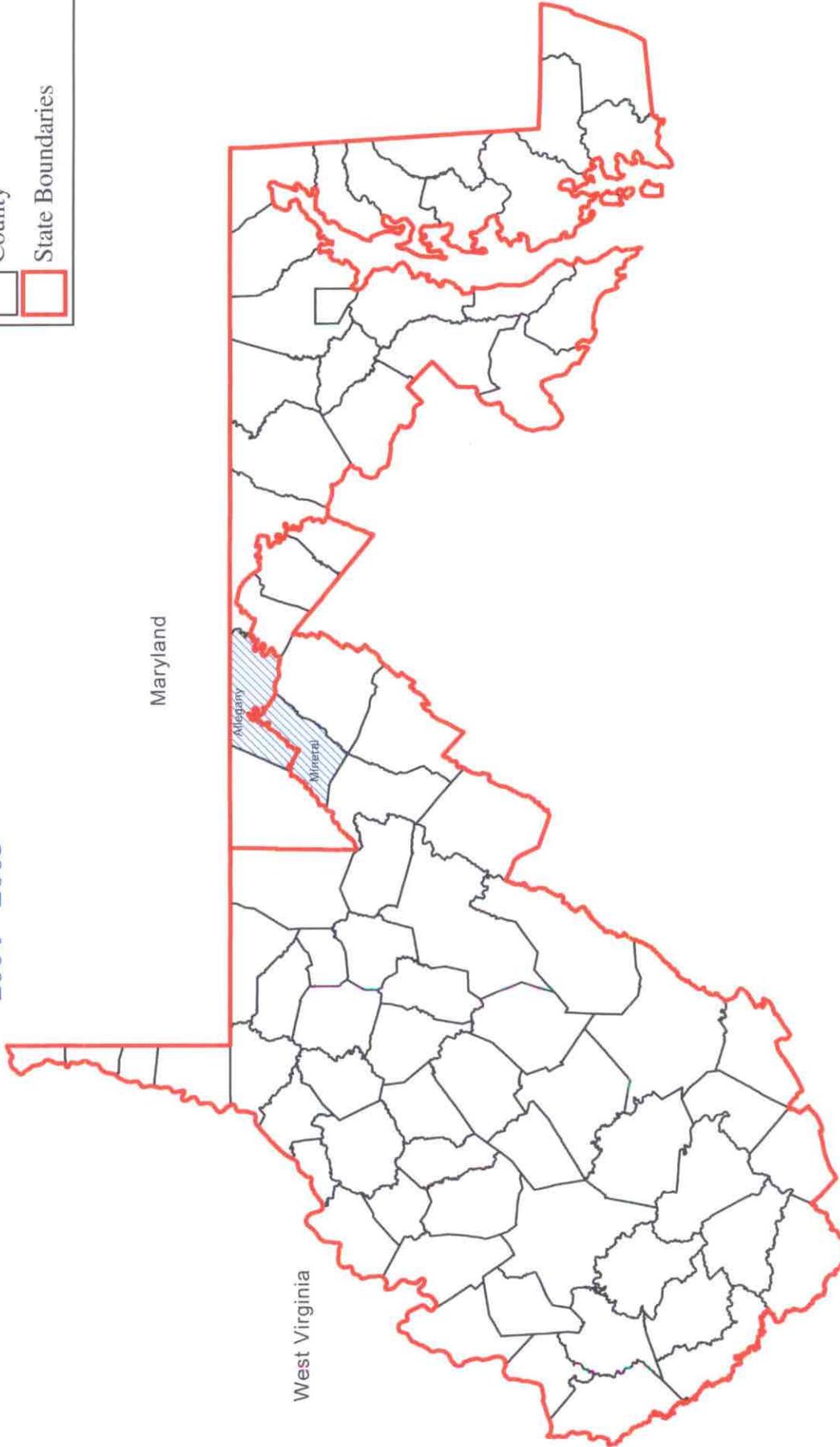
Pennsylvania

Maryland

# Manufacturers & Traders TC

## Assessment Area - MSA 19060

2004 - 2005



# Manufacturers & Traders TC

## Assessment Area - Delaware

2004 - 2005

**Legend**

-  County
-  Assessment Area

