



NEW YORK STATE BANKING DEPARTMENT
CONSUMER SERVICES DIVISION
2 Rector Street
New York, NY 10006

PUBLIC SUMMARY

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Date of Evaluation: December 31, 2006

Institution: Tompkins Trust Company
110 N. Tioga Street
Ithaca, NY 14851

Note: This evaluation is not an assessment of the financial condition of this institution. The rating assigned does not represent an analysis, conclusion or opinion of the New York State Banking Department concerning the safety and soundness of this financial institution.

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GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act (“CRA”) performance of Tompkins Trust Company (“TTC”) prepared by the New York State Banking Department. The evaluation represents the Banking Department’s current assessment and rating of the institution’s CRA performance based on an evaluation conducted as of December 31, 2006.

Section 28-b of the New York State Banking Law, as amended, requires that when evaluating certain applications, the Superintendent of Banks shall assess a banking institution’s record of helping to meet the credit needs of its entire community, including low and moderate income areas, consistent with safe and sound operations.

Part 76 of the General Regulations of the Banking Board implements Section 28-b and further requires that the Banking Department assess the CRA performance records of regulated financial institutions. Part 76 establishes the framework and criteria by which the Department will evaluate the performance. Section 76.5 further provides that the Banking Department will prepare a written report summarizing the results of such assessment and will assign to each institution a numerical CRA rating based on a 1 to 4 scoring system. The numerical scores represent an assessment of CRA performance as follows:

- (1) Outstanding record of meeting community credit needs;
- (2) Satisfactory record of meeting community credit needs;
- (3) Needs to improve record of meeting community credit needs; and
- (4) Substantial noncompliance in meeting community credit needs.

Section 76.5 further requires that the CRA rating and the written summary be made available to the public (“Evaluation”). Evaluations are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Sections 76.8 – 76.13. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York State Banking Law.

For explanation of technical terms used in this report, please consult the GLOSSARY at the back of this document.

OVERVIEW OF INSTITUTION'S PERFORMANCE

Overall Rating

TTC is rated "1," indicating an outstanding record of helping to meet community credit needs.

Lending Test: "Outstanding"

- TTC's level of lending during the evaluation period reflects an excellent responsiveness to the credits needs within the assessment area.
- TTC made a high percentage of its HMDA-reportable and small business loans, by number and dollar volume, within the bank's assessment area. During the evaluation period, 83.2% of the total number of loans and 83.8% of the dollar volume were made inside its assessment area.
- The geographic distribution of TTC's loans reflects a good penetration throughout the assessment area.
- TTC's HMDA-reportable and small business lending, achieved an excellent distribution among retail customers of different income levels and among businesses having different revenue sizes.
- TTC has an excellent level of community development loans. At this performance evaluation, its community development loans totaled \$ 8.1 million.
- TTC makes an extensive use of innovative and flexible lending products, designed for low- and moderate-income individuals and small businesses in its assessment area.

Investment Test: "Outstanding"

TTC continued to demonstrate excellent responsiveness to the community development needs of its assessment area through its qualified investments, which support affordable housing and economic development. During the evaluation period, TTC's qualified investments, including grants, totaled \$ 4.4 million.

Services Test: “Outstanding”

- TTC’s delivery systems are readily accessible to all portions of its assessment area. Of the 14 full service and one limited service offices, 73.3% are located within and adjacent to LMI census tracts of its assessment area.
- TTC’s business hours are tailored to the convenience and needs of its assessment area.
- During the evaluation period, TTC provided a relatively high level of community development services in its assessment area.

This evaluation was conducted based on a review of the 12 assessment factors set forth in Section 28-b of the New York State Banking Law and Part 76 of the General Regulations of the Banking Board.

PERFORMANCE CONTEXT

Institution's Profile:

Chartered in 1836, TTC is a stock commercial bank headquartered in Ithaca, New York. TTC is a wholly-owned subsidiary of Tompkins Trustco, Inc. ("Tompkins"), a bank holding company, headquartered in Ithaca, New York. Tompkins has two other bank subsidiaries: The Bank of Castile and The Mahopac National Bank.

TTC operates one limited service and 14 full service offices. Ten of the full service branches and the limited service branch are located in Tompkins County. The remaining three branches are located in Cayuga, Cortland, and Schuyler counties.

As of December 31, 2006, TTC reported total assets of \$1.1 billion, net loans and leases of \$593.7 million and total deposits of approximately \$784.8 million. According to Deposit Market Share Report by the Federal Deposit Insurance Corporation ("FDIC"), TTC ranked first, obtaining a deposit market share of 51.6% or \$656.7 million out of \$1.3 billion deposits among 11 deposit-taking institutions in Tompkins County. Most of the competitors in TTC's assessment area are commercial banks, saving and loan associations, credit unions, financial companies, mutual funds, insurance companies, internet-based financial services and other financial intermediaries. Some of these competitors have substantially greater resources and lending capability and may offer services that the bank does not currently provide.

TTC's primary customer base consists of residential borrowers and small- and medium-sized businesses. TTC offers a full line of loan and deposit products, as well as, financial services. Its credit products include: 1-4 family and multifamily residential mortgage loans, home equity lines/loans, student loans, residential and commercial construction loans, passbook loans, and commercial loans and leases.

TTC's primary business is residential lending, which represents 47.6 % of its loan portfolio as of December 31, 2006. The remainder of the portfolio consists of commercial real estate loans (21.0%), commercial and industrial loans (16.6%), consumer loans (9.4%) and other loans (5.4%).

Although TTC retains most of its mortgage originations, it also sells some of its mortgages in the secondary market. During the evaluation period, TTC sold 1,192 mortgages totaling \$172.3 million, representing less than 10 % of its originations.

The following is a summary of TTC's lending portfolio, based on Schedule RC-C of the bank's year-end Call Reports for 2004, 2005 and 2006:

TOTAL GROSS LOANS OUTSTANDING						
LOAN TYPE	2004		2005		2006	
	\$000	%	\$000	%	\$000	%
1-4 Residential Mortgage Loans	254,414	45.7	265,653	44.7	268,269	44.7
Commercial & Industrial Loans	71,727	12.9	83,881	14.1	99,337	16.6
Commercial Mortgage Loans	97,461	17.5	111,337	18.7	126,096	21.0
Multifamily Mortgages	21,607	3.9	16,918	2.8	17,600	2.9
Consumer Loans	73,997	13.3	80,459	13.5	56,102	9.4
Agricultural Loans	390	0.1	3,880	0.7	1,252	0.2
Construction	9,338	1.7	11,994	2.0	11,803	2.0
Farmland	653	0.1	632	0.1	2,765	0.5
Obligations of states & municipalities	3,759	0.7	3,420	0.6	3,048	0.5
Other Loans	2,923	0.5	2,825	0.5	2,591	0.4
Lease financing	20,583	3.7	13,240	2.2	10,630	1.8
Total Gross Loans	556,852	100.0	594,239	100.0	599,493	100.0

TTC received a rating of "1," reflecting an outstanding record of helping to meet community credit needs at its prior Performance Evaluation conducted by the New York State Banking Department as of December 31, 2002.

There are no known financial or legal impediments that adversely impacted TTC's ability to meet the credit needs of its community.

Assessment Area:

TTC's assessment area is comprised of the entire Tompkins County, a portion of Schuyler County and the cities of Cortland in Cortland County, and the city of Auburn in Cayuga County.

Tompkins County is located in the metropolitan statistical area ("MSA") 27060, Schuyler and Cortland Counties are not located in any metropolitan area, and Cayuga County is part of the Syracuse MSA8160.

The assessment area has 37 census tracts, of which 6 (16.2%) are moderate-income, 25 (67.6%) are middle-income, 5 (13.5%) are upper-income and one census tract with unknown-income. There were no low-income tracts within the assessment area and moderate-income census tracts are located within Tompkins and Cayuga Counties.

The following table shows the distribution of census tracts within the assessment area by county and geography income level:

Distribution of Assessment Area Census Tracts by Income Level							
County	Unknown	Low	Moderate	Middle	Upper	Total	LMI %
Tompkins	0	0	5	15	3	23	21.7
Cayuga	1	0	1	5	1	8	12.5
Cortland	0	0	0	4	1	5	0
Schuyler	0	0	0	1	0	1	0
Total	1	0	6	25	5	37	16.2

The assessment area appears reasonable based upon the location of TTC’s offices and its lending patterns. There is no evidence that LMI areas have been arbitrarily excluded.

Details of the Assessment Area:

Economic and statistical data used in this evaluation were obtained from various sources. Demographic data was obtained from the 2000 U.S. Census. Updated median family income estimates for 2005 and 2006 were obtained from the U.S. Department of Housing and Urban Development (“HUD”). Additional economic and demographic data pertaining to the assessment area is contained in the charts identified below:

Chart #1: Shows population and income.

Chart #2: Shows housing demographics.

Chart #3: Shows business demographics.

According to the 2006 Business Geodemographic Data report, 40.1% of all firms in the assessment area were service providers, 16.5% were in retail trade, 6.3% were in finance, insurance, and real estate, and 5.8% were in construction. There were 1,673 non-classifiable establishments which accounted for approximately 17.0% of all businesses in the assessment area.

Please refer to the following table for the distribution of industries within TTC's assessment area:

Assessment Area Industry Type				
Industry	2005		2006	
	Count	% of Total	Count	% of Total
Agriculture, Forestry & Fishing	306	3.3%	312	3.2%
Mining	6	0.1%	6	0.1%
Construction	578	6.3%	570	5.8%
Manufacturing	380	4.1%	366	3.7%
Transportation	277	3.0%	288	2.9%
Wholesale	223	2.4%	231	2.4%
Retail Trade	1,616	17.5%	1,616	16.5%
Finance, Insurance & Real Estate	590	6.4%	615	6.3%
Services	3,866	41.9%	3,937	40.1%
Public Administration	225	2.4%	207	2.1%
Non-Classifiable Establishments	1,149	12.5%	1,673	17.0%
Total	9,216	100.0%	9,821	100%

Unemployment Rates:

According to the U.S. Department of Labor, in 2006, the average unemployment rate for Tompkins County was 3.4%, below New York State's average of 4.5%. The average unemployment rates for Cayuga, Cortland and Schuyler Counties were 4.7%, 5.2% and 5.0%, respectively, higher than New York State's average.

CHART # 1

ASSESSMENT AREA POPULATION AND INCOME CHARACTERISTICS BY COUNTY																					
COUNTY	Total Population**	Age 65 and over		Age 16 and less		Median Family Income(MFI)	HUD MSA MFI	# of Households	# of HH below poverty level		Total Families	Low income		Moderate income		Middle income		Upper income		LMI families in LMI tracts	
		#	%	#	%				#	%		#	%	#	%	#	%	#	%	#	%
Tompkins	96,501	9,257	9.6	16,041	16.6	55,580	63,500	36,464	6,221	17.0	19,259	3,762	12.3	3,459	11.3	4,502	14.7	7,536	24.6	1,149	15.9
Cayuga	28,574	5,096	17.8	5,680	19.9	40,882	49,600	11,437	1,819	16.0	6,619	1,498	4.9	1,063	3.5	1,523	5.0	2,535	8.3	388	15.2
Cortland	18,740	2,418	12.9	3,039	16.2	38,484	49,600	6,920	1,702	25.0	3,456	831	2.7	616	2.0	893	2.9	1,116	3.6	0	0.0
Schuyler	4,921	815	16.6	1,008	20.5	41,364	49,600	1,973	211	11.0	1,346	259	0.8	265	0.9	321	1.0	501	1.6	0	0.0
TOTAL A/A*	148,736	17,968	11.8	25,768	17.3	49,860	58,241	56,794	9,953	18.0	30,680	6,350	20.7	5,403	17.6	7,239	23.6	11,688	38.1	1,537	13.1

* Assessment Area ** In thousands

CHART # 2

ASSESSMENT AREA HOUSING CHARACTERISTICS BY COUNTY																			
COUNTY	Total Housing Units	1-4 family Units		Multifamily Units		Owner-Occupied Units (O-O)		O-O Units in Low-income Tracts		O-O Units in Mod-income Tracts		O-O Units in Mid-income Tracts		O-O Units in Upp-income Tracts		Rental Units		Vacant/ Boarded-up Units	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
		Tompkins	38,625	30,796	79.7	7,829	20.3	19,583	50.7	0	0.0	1,253	6.4	16,097	82.2	2,232	11.4	17,717	45.9
Cayuga	12,637	10,548	83.5	2,089	16.5	5,920	46.8	0	0.0	450	7.6	4,700	79.4	776	13.1	6,259	49.5	1,226	9.7
Cortland	7,550	5,854	77.5	1,696	22.5	3,023	40.0	0	0.0	0	0.0	2,984	98.7	39	1.3	4,292	56.8	628	8.3
Schuyler	2,176	2,070	95.1	106	4.9	1,437	66.0	0	0.0	0	0.0	1,437	100.0	0	0.0	575	26.4	204	9.4
TOTAL A/A*	60,988	49,268	80.8	11,720	19.2	29,963	49.1	0	0.0	1,708	5.7	25,199	84.1	3,056	10.2	28,840	47.3	4,263	7.0

* Assessment Area

CHART # 3

<i>BUSINESS DEMOGRAPHICS BY COUNTY</i>											
COUNTY AND ASSESSMENT AREA(A/A)	Number of Businesses	Businesses with Rev. of \$1 million or less		Businesses with Rev. of more than \$1 million		Bussinesses with no revenues reported		Businesses with less than 50 employees		Operating from a single location	
		#	%	#	%	#	%	#	%	#	%
Tompkins	6,603	4,039	61.2	307	4.6	2,257	34.2	4,817	73.0	5,687	86.1
Cayuga	1,772	1,145	64.6	105	5.9	522	29.5	1,386	78.2	1,481	83.6
Cortland	1,123	691	61.5	73	6.5	359	32.0	865	77.0	903	80.4
Schuyler	323	192	59.5	14	4.3	117	36.2	236	73.1	280	86.7
Total A/A	9,821	6,067	61.8	499	5.1	3,255	33.1	7,304	74.4	8,351	85.0

PERFORMANCE TESTS AND ASSESSMENT FACTORS

This evaluation entails a review of TTC's lending, investment and service activities within the assessment area as provided for in Parts 76.8, 76.9 and 76.10 of the General Regulations of the Banking Board. The evaluation period covers 2005 and 2006.

The data used in this evaluation were derived from various sources. This included bank-specific loan data submitted by TTC, 2005 aggregate data for HMDA-reportable and small business loans obtained from the Federal Financial Examination Council ("FFIEC") and PCI Services, Inc. CRA Wiz, an external vendor. Aggregate HMDA-reportable and small business lending data for 2006 were not available during this evaluation period.

I. Lending Test: "Outstanding"

TTC's lending performance was evaluated pursuant to the following criteria: (1) Lending Activity; (2) Geographic Distribution; (3) Borrower Characteristics; (4) Community Development Lending; and (5) Innovative or Flexible Lending Practices

The examiner's analysis of factors (1), (2), (3) and (4) above was based on TTC's HMDA-reportable and small business loans. HMDA-reportable lending received greater emphasis at this evaluation because of its volume. TTC became a HMDA reporter in 2003.

Lending Activity: "Outstanding"

TTC's lending activity reflects an excellent responsiveness to assessment area credit needs.

During the evaluation period, TTC originated a total of 2,005 loans, of which 53.5% were HMDA-reportable loans and 46.5% were small business loans.

According to the 2005 market share data obtained from CRA wiz, TTC ranked first among the 195 HMDA-reporting lenders, obtaining a market share of 13.5% based on the number of loans within its assessment area.

Based on the 2005 market share report for small business loans, TTC achieved a market share of 8.7% and ranked fifth among 44 lenders reporting small business loan data in its assessment area.

Assessment Area Concentration: "High Satisfactory"

During the evaluation period, TTC originated a high percentage of its loans within the assessment area. TTC's assessment area concentration rates for HMDA-reportable loans and small business loans were 81.8% and 85.7%, respectively.

The following table shows the distribution of TTC's loans inside and outside the assessment area during the evaluation period:

Distribution of Loans Inside and Outside of the Assessment Area										
Loan Type	Number of Loans					Loans in Dollars (in thousands)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
HMDA-reportable										
2005	461	83.1	94	16.9	555	50,210	87.2	7,391	12.8	57,601
2006	409	79.0	109	21.0	518	49,343	77.5	14,320	22.5	63,663
Subtotal	870	81.8	203	18.9	1,073	99,553	82.1	21,711	17.9	121,264
Small Businesses										
2005	425	85.4	73	14.6	498	44,972	87.6	6,377	12.4	51,349
2006	374	86.2	60	13.8	434	47,740	84.0	9,075	16.0	56,815
Subtotal	799	85.7	133	14.3	932	92,712	85.7	15,452	14.3	108,164
Total	1,669	83.2	336	16.8	2,005	192,265	83.8	37,163	16.2	229,428

Geographic Distribution of Loans: “High Satisfactory”

The overall geographic distribution of TTC's loans within its assessment area reflects a good dispersion of loans throughout the assessment area.

HMDA-reportable loans

TTC's geographic distribution of its HMDA-reportable loans within its assessment area is good. In 2005, TTC originated 8.9% HMDA-reportable loans in LMI areas, which exceeded the aggregate's LMI penetration rate of 7.0%. In 2006, TTC's performance in LMI areas declined slightly to 8.1%.

The following chart provides a summary of TTC's HMDA-reportable lending distribution during the evaluation period:

Distribution of HMDA-reportable Loans by Geographic Income Level*								
Geography Income Level	Bank				Aggregate			
	#	%	\$000	%	#	%	\$000	%
Low	0	0.0%	0	0.0%	0	0.0%		0.0%
Moderate	41	8.9%	5,819	11.6%	239	7.0%	33,616	10.2%
Middle	353	76.6%	33,776	67.3%	2,872	83.7%	254,726	77.1%
Upper	67	14.5%	10,615	21.1%	320	9.3%	42,030	12.7%
N/A					1		140	
Total	461	100.0%	50,210	100.0%	3,432	100.0%	330,512	100.0%
Geography Income Level	Bank				Aggregate			
	#	%	\$000	%	#	%	\$000	%
Low	0	0.0%	0	0.0%				
Moderate	33	8.1%	6,211	12.6%				
Middle	320	78.2%	32,589	66.0%				
Upper	56	13.7%	10,543	21.4%				
Total	409	100.0%	49,343	100.0%				

* Geography income level is based upon 2000 Census data on median family income figure for the MSA of the mortgaged property. Low income is defined as <50% of the MSA median, moderate income is 50% to <80%, middle income is 80% to <120%, and upper income is at least 120%.

1-4 Family HMDA –Reportable Loans

The geographic distribution of one to four family loans reflects a good dispersion of loans throughout the assessment area.

In 2005, TTC originated 8.3% of its one-to-four family HMDA-reportable loans in LMI areas. This exceeded the aggregate's LMI penetration rate of 6.9%. TTC's LMI penetration rate decreased to 7.4% in 2005 but remained favorable given the demographics of the assessment area.

Distribution of 1-4 Families HMDA-reportable Loans by Geographic Income Level*								
Geography Income Level	Bank				Aggregate			
	#	%	\$000	%	#	%	\$000	%
Low	0	0.0%	0	0.0%	0	0.0%		0.0%
Moderate	35	8.3%	3,236	7.1%	226	6.9%	20,220	6.7%
Middle	326	76.9%	32,581	71.8%	2,719	83.4%	242,176	80.3%
Upper	63	14.9%	9,581	21.1%	314	9.6%	39,056	12.9%
					1		140	
Total	424	100.0%	45,398	100.0%	3,260	100.0%	301,592	100.0%
Geography Income Level	Bank				Aggregate			
	#	%	\$000	%	#	%	\$000	%
Low	0	0.0%	0	0.0%				
Moderate	28	7.4%	3,867	8.9%				
Middle	296	78.5%	30,490	70.6%				
Upper	53	14.1%	8,857	20.5%				
Total	377	100.0%	43,214	100.0%				

* Geography income level is based upon 2000 Census data on median family income figure for the MSA of the mortgaged property. Low income is defined as <50% of the MSA median, moderate income is 50% to <80%, middle income is 80% to <120%, and upper income is at least 120%.

Small business loans

The geographic distribution of TTC's small business loans reflects an excellent dispersion throughout the assessment area.

During the evaluation period, TTC originated 29.7%, by number, and 23.3% by dollar volume, of its small business loans in LMI areas. In 2005, TTC's LMI penetration rate was 32%, well above the aggregate's LMI penetration rate of 22.4%. In 2006, TTC's LMI penetration rate decreased to 27.3% by number.

The following chart shows the distribution of TTC small business loans during the evaluation period:

Distribution of Small Business Loans by Geographic Income Level								
Geography Income Level	Bank				Aggregate			
	#	%	\$000	%	#	%	\$000	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Moderate	136	32.0%	9,869	21.9%	715	22.4%	28,853	23.0%
Middle	257	60.5%	31,425	69.9%	2,225	69.6%	89,467	71.5%
Upper	32	7.5%	3,678	8.2%	259	8.1%	6,881	5.5%
Total	425	100.0%	44,972	100.0%	3,199	100.0%	125,201	100.0%
Geography Income Level	Bank				Aggregate			
	#	%	\$000	%	#	%	\$	%
Low	0	0.0%	0	0.0%				
Moderate	102	27.3%	11,786	24.7%				
Middle	246	65.8%	32,547	68.2%				
Upper	26	7.0%	3,407	7.1%				
Total	374	100.0%	47,740	100.0%				

* Geography income level is based upon 2000 Census data on median family income figure for the MSA of the mortgaged property. Low income is defined as <50% of the MSA median, moderate income is 50% to <80%, middle income is 80% to <120%, and upper income is at least 120%.

Distribution by Borrower Characteristics: “Outstanding”

TTC’s HMDA-reportable and small business lending had an excellent distribution among borrowers of different income levels and among businesses of different revenue sizes throughout the assessment area.

HMDA-reportable loans

TTC’s distribution of HMDA-reportable loans among borrowers of different income levels is excellent. In 2005, TTC extended 33.5 % of its one- to-four family HMDA-reportable loans to LMI borrowers, which is well above the aggregate’s LMI penetration rate of 28.8%. In 2006, originations of one- to-four family loans declined but TTC’s LMI penetration remained at the same level.

The following chart shows the geographic distribution of TTC's one- to -four family HMDA-reportable loans based on income level:

Distribution of 1-4 family HMDA-reportable Loans by Borrower Income Level*								
Borrower Income Level	Bank				Aggregate			
	#	%	\$000	%	#	%	\$000	%
Low	35	8.3%	1,672	3.7%	208	6.4%	10,815	3.6%
Moderate	107	25.2%	7,609	16.8%	729	22.4%	49,922	16.6%
Middle	80	18.9%	7,483	16.5%	917	28.1%	75,262	25.0%
Upper	200	47.2%	28,616	63.0%	1,319	40.5%	157,197	52.1%
n/a	2	0.5%	18	0.0%	87	2.7%	8,396	2.8%
Total	424	100.0%	45,398	100.0%	3,260	100.0%	301,592	100.0%

Borrower Income Level	Bank				Aggregate			
	#	%	\$000	%	#	%	\$000	%
Low	45	11.9%	3,339	7.7%				
Moderate	81	21.5%	6,588	15.2%				
Middle	77	20.4%	7,224	16.7%				
Upper	169	44.8%	25,070	58.0%				
n/a	5	1.3%	993	2.3%				
Total	377	100.0%	43,214	100.0%				

* Borrower income level is based upon the Department of Housing and Urban Development's annual estimate of median family income ("MFI") figure for the MSA. Low-income is defined as <50% of the MSA MFI, moderate-income is 50% to <80%, middle-income is 80% to <120%, and upper-income is at least 120%.

Small business Loans

TTC had an excellent distribution of its small business loans among businesses of different revenue sizes. During the evaluation period, TTC extended 65.1% of its small business loans to businesses with gross annual revenue of \$1 million or less.

In 2005, of the total small business loans originated in its assessment area, TTC extended 66.8% to small businesses with revenue of \$1million or less, which was well above the aggregate's small business lending of 51.2%.

In 2006, TTC's percentage of lending to small businesses decreased slightly to 63.1%.

The following chart shows the distribution of small business loans during the evaluation period based on borrower revenue size:

Distribution of Small Business Loans by Business Revenue Size								
Revenue Size	Bank				Aggregate			
	#	%	\$000	%	#	%	\$000	%
\$1million or less	284	66.8%	18,147	40.4%	1,652	51.2%	55,449	44.1%
Over \$1 million	141	33.2%	26,825	59.6%		0.0%		0.0%
No Revenue Info		0.0%		0.0%		0.0%		0.0%
Total	425	100.0%	44,972	100.0%	3,224	51.2%	125,623	44.1%

Revenue Size	Bank				Aggregate			
	#	%	\$000	%	#	%	\$	%
\$1million or less	236	63.1%	16,250	34.0%				
Over \$1 million	138	36.9%	31,490	66.0%				
No Revenue Info		0.0%		0.0%				
Total	374	100.0%	47,740	100.0%				

* Borrower income level is based upon the Department of Housing and Urban Development's annual estimate of median family income ("MFI") figure for the MSA. Low-income is defined as <50% of the MSA MFI, moderate-income is 50% to <80%, middle-income is 80% to <120%, and upper-income is at least 120%.

Community Development Loans: "Outstanding"

During the evaluation period, TTC demonstrated an excellent responsiveness to the community development needs through its community development lending.

As of the evaluation date, TTC's community development loans totaled \$8.1 million, with \$1.2 million representing new money. These loans were used to support initiatives that help revitalize low-moderate income neighborhoods, provide affordable housing, job creation and promote economic development.

The following are examples of TTC's community development loans:

In 2004, TTC provided a \$6.8 million letter of credit to a non-profit organization (Community Development Properties of Ithaca) specializing in economic development finance. The letter of credit provided support to a bond issue to finance the construction of a parking garage in LMI area in downtown Ithaca. In addition, the garage will provide extra jobs, which will be filled by LMI individuals.

In 2006, TTC extended a \$75,000 revolving line of credit to a non-profit corporation focusing on efficient, effective planning and delivery of human service programs (Human Services Coalition of Tompkins County). This corporation supports the homeless and housing task force, which brings together human service providers, volunteers, and elected officials interested in issues such as emergency shelter, supplemental food programs, transportation, and other basic needs.

In 2005, TTC originated a loan totaling \$264,050 to Ithaca Housing Authority, an affordable housing organization that provides low rent housing within the City of Ithaca. This loan was used for energy improvements in an apartment complex.

In 2006, TTC originated a loan of \$100,000 to a non-profit organization in Tompkins County. This organization provides affordable housing to LMI residents in Tompkins County. (Mutual Housing Association of Tompkins County).

In 2006, TTC extended a \$400,000 line of credit to Ithaca Neighborhood Housing Services, a non-profit organization whose mission is to revitalize Ithaca's neighborhoods and assist low- and moderate income individuals to obtain quality affordable housing on a long-term basis.

Innovative or Flexible Lending Practice: "Outstanding"

TTC makes extensive use of innovative or flexible lending practices in serving the credit needs of its community. It is proactive in developing affordable housing programs and services that may be of assistance to the community. The following are brief examples of these practices:

State of New York Mortgage Agency (SONYMA) Low Interest Rate Mortgage Loan Program: Under this program, first-time homebuyers who meet certain income and purchase price criteria can receive a below-market interest rate to purchase a one- to- four family home, cooperative, condominium unit. During the evaluation period, TTC originated 85 loans, totaling \$ 8.4 million under this program.

Health Care Finance Program: This program was established to finance healthcare related expenses. The program was subsequently expanded to include educational expenses in the healthcare industry. Financing terms are up to five years and feature a reduced interest rate, below the bank's unsecured personal loan rates. The program is promoted through medical and dental offices. Since the CRA evaluation, TTC has originated two loans totaling \$17.8 thousand.

Negotiated Rate Program. This is TTC's in-house affordable housing program. The products offered under this program are offered to existing homeowners experiencing adverse financial issues as a result of delinquent loan payments. TTC has originated 233 such mortgages totaling \$35.6 million during the evaluation period.

EcoVillage of Ithaca – TTC secured a subsidy of \$112,000 under their AHP program for qualifying families. The subsidy will assist up to six low-to-moderate income families obtain housing in the EcoVillage development.

Small Business Administration ("SBA") Loan Guaranty Program. The SBA was established to assist credit worthy small businesses in obtaining financing on reasonable terms. SBA loan underwriting standards are more favorable to small businesses than traditional bank underwriting standards. SBA loans provide long-term repayment schedules,

which mean lower and affordable monthly payments. TTC participates in different SBA programs including the LowDoc Program, the 7(a) Loan Guaranty, and 504 Loan Program. TTC originated 10 loans totaling \$584 thousand under this program.

New York State Energy Research and Development Authority Loan Fund – TTC is a participating lender of this fund, which provides consumers and small businesses with a rate reduction of four percentage points to finance qualified energy efficiency projects. During the evaluation period, the bank originated 20 loans totaling \$343.9 thousands.

Better Housing for Tompkins County and Ithaca Neighborhood Housing Services. Both programs assist low-to-moderate income individuals and families attain home ownership through counseling services, below market second mortgage programs, and flexible approval processes. Through these programs, TTC has provided mortgages with lower closing costs. In 2006, TTC originated 20 mortgages totaling \$1.587million.

Investment Test: “Outstanding”

The Investment Test evaluates an institution’s record of helping to meet the credit needs of its assessment area through qualified investment. Qualified investments are evaluated based on their dollar volume, innovation and complexity, responsiveness to community development needs, and the degree to which they are not routinely provided by private investors.

TTC continued to demonstrate an excellent responsiveness to community development needs through its qualified investments. As of the evaluation date, TTC’s qualified investments, including grants, totaled \$4.4 million, all of which represents new money.

The following includes a brief description of TTC’s qualified investments:

Statewide Zone Capital Corporation of New York (SZCC) – TTC has an outstanding equity investment of \$400,000 in this corporation. SZCC is a community development organization, formed to promote the development of new businesses, the expansion of existing businesses, and the development of human resources within the 51 participating economic development zones created under the New York State Economic Development Zones Act.

New York State Business Development Corporation (NYSBDC) –TTC continued to own shares with a value of \$34,500 in the NYSBDC. NYBDC is a privately-owned entity created by New York State statute and funded by commercial and savings banks under lines of credit - typically at a LIBOR based rate - that are utilized to provide a broad range of financing to small and mid-sized businesses located in New York State.

Cephas Capital Partners, L.P -TTC retained a \$2.3 million investment in Cephas Capital Partners, L.P, a limited partnership licensed to operate as a Small Business Investment Company (“SBIC”). TTC’s other limited partners include the following regional community

banks: Allan Bank (Syracuse), Bath National Bank, Canandaigua National Bank, Chemung Canal trust company (Elmira) and Bank of Castile. This partnership was established to promote economic development and to finance existing businesses in Upstate New York.

Cascade Development Partners Investment Fund, LP (CDPIF) - TTC made a cash equity investment of \$ 2.2 million in CDPIF for the purpose of acquiring New Markets Tax Credits (“NMTCs”) available upon closing their transaction. The NMTC Program permits taxpayers to receive a credit against federal income taxes for making qualified equity investments in designated Community Development Entities by providing investors with 39% of the cost of the investment that is claimed over a seven year credit allowance period.

During the evaluation period, TTC made contributions totaling \$293,000 to 26 non-profit, civic and other community development organizations, which service and primarily help low- and moderate income individuals in this assessment area. Examples of these organizations include Ithaca Neighborhood Housing, Tompkins County Area Development, United Way, FoodNet, Better Housing for Tompkins County, and Children’s Service.

Service Test: “Outstanding”

The Service Test evaluates TTC’s record of helping to meet the credit needs of its assessment area by analyzing both the availability and effectiveness of its systems for delivering retail banking services and the extent and innovativeness of its community development services.

During the evaluation period, TTC provided an excellent level of services to its assessment area.

Retail Banking Services: “Outstanding”

Accessibility of Delivery Systems

TTC’s delivery systems are readily accessible to essentially all portions of the assessment area. As of the evaluation date, TTC operates one limited and fourteen full service offices within its assessment area, including four branches (28.6%) located in LMI areas and seven branches (50%) adjacent to LMI geographies. TTC has six drive-up facilities at its offices and 28 Automated Teller Machines (ATMs), of which eight are located in moderate-income census tracts within the assessment area.

Alternative Delivery System

TTC utilized several alternative delivery systems that provide customers access to their accounts 24 hours a day, seven days a week as follows:

- **Bank-by-Phone through “Anytime Access”** – Customers are provided with a toll-free bank-by-phone access to their accounts, 24 hours a day, seven days a week.

Through this system, customers are able to make transfers or payments, order checks, cancel/order debit cards, change addresses and stop payments.

- **Bank-by-Mail** – This service is available at all locations, including its loan production centers. This service allows customers to conduct transactions, including loan and deposit maintenance. The loan production centers provide only loan related services.
- **Internet Banking** – Internet banking provides all customers with 24-hour easy access to a wide range of services including bill payments, transfer funds between deposit accounts and check on account balances.
- **Credit Cards** – This service gives customers easier access to funds. This convenient and additional service is provided by the bank thru Anywhere Access Visa Check Card and bank's partnership with nationwide ATM networks such as NYCE, PLUS, CIRRUS, VISA and Master Card inside and outside the assessment area.

Changes in Branch Location

TTC's record of opening and closing branches has not adversely affected the accessibility of its delivery system, particularly to LMI geographies or individuals. However, the opening of two ATMs during the evaluation period has improved the accessibility of TTC's system in moderate- and in middle-income census tracts of its assessment area. (ATMs were opened in Cortland and Ithaca).

Reasonableness of Business Hours and Services

TTC's branches offer convenient business hours, with extended hours on either Thursday or Friday evenings, except the Kendal branch in Ithaca. Drive-thru facilities are available at five offices, which offer normal business hours on weekdays and half-day service on Saturdays.

Community Development Services:

TTC provided a relatively high level of community development services in its assessment area. It participates in activities that help LMI individuals and promotes small business in the assessment area.

TTC's employees serve as members or officers of several community organizations and provide financial expertise on loan committees, audit committees, lending committees, and fund-raising efforts. Some of these organizations are as follows:

- Women's Opportunity Center
- Alcohol and Drugs Council of Tompkins County
- Salvation Army
- Trumansburg Area Chamber of Commerce

- Ithaca Downtown Partnership
- Tompkins Co Chamber of commerce
- Lansing CDC

TTC's officers are involved as board members in Ithaca Neighborhood Housing Services, which provides services to LMI home owners or prospective home owners including low rate loans for purchase or rehab of homes, grants, no-cost home improvements, home ownership classes, apartment rentals and development of lower income housing. Access to these services is mainly income based.

TTC's president is a treasurer and another officer is a member of the development committee of Tompkins County Foundation, which is a non-profit organization that provides funding to numerous local organizations that provide community development services for LMI individuals within Tompkins County.

TTC's chairman serves on the board of the NY Business Development Corporation, which is a public benefit company that seeks to promote economic development within New York State.

TTC's vice president is a board member of the Better Housing of Tompkins County, which is a non-profit affordable housing organization that targets LMI individuals.

Any practices intended to discourage applications for types of credit set forth in the banking institution's CRA Public File.

There were no practices noted that were intended to discourage applications for the types of credit offered by the institution.

Evidence of prohibited discriminatory or other illegal credit practices.

The most recent regulatory compliance examination conducted by New York State Banking Department indicated a satisfactory performance in terms of adherence to applicable laws and regulations. No evidence of prohibited discrimination or other illegal credit practices was noted.

V. Process Factors

Activities conducted by the banking institution to ascertain the credit needs of its community, including the extent of the banking institution's efforts to communicate with members of its community regarding the credit services being provided by the banking institution.

TTC ascertains the credit needs of its community through the involvement of its officers with various community organizations. Twenty-eight officers serve in 30 different

organizations that provide housing, childcare, or financial needs to the community such as: Family & Children Service of Ithaca, Ithaca Neighborhood Housing, United Ways of Tompkins, Board of Realtors and Chamber of Commerce. This involvement provides management awareness with regard to residential mortgage and small business needs of the community. To meet the community credit needs, TTC has offered programs for first time homebuyers. In addition, TTC has a secondary review program to determine possible financial alternatives for non-qualifying applicants.

The extent of the banking institution's marketing and special credit-related programs to make members of the community aware of the credit services offered by the banking institution.

TTC actively markets and promotes its service to members of the community through the following: direct mail, TTC's notes statement stuffer, which goes to all deposit customers at the end of each quarter and media advertising. TTC regularly advertises its products in CNY Business Journal, Fingerlakes Community Newspapers, The Citizen, The Cortland Standard, The Ithaca Journal and Ithaca Business Journal. In addition, TTC uses various local radio stations in Cayuga, Tompkins, Cortland, Broome and Ithaca counties.

The extent of participation by the banking institution's board of directors/trustees in formulating the banking institution's policies and reviewing its performance with respect to the purposes of the Community Reinvestment Act.

The board of directors is responsible for establishing TTC's CRA policies and procedures. The TTC's CRA Statement is reviewed and approved by the board annually.

VI. Other Factors

Other factors that in the judgment of the Superintendent and Banking Board bear upon the extent to which a banking institution is helping to meet the credit needs of its entire community.

None noted.

GLOSSARY

Aggregate

The cumulative lending by all HMDA-reporting lenders in the same geographic area under evaluation.

Community Development

The term “community development” is defined to mean:

1. Affordable housing (including multifamily housing) for low- or moderate-income (“LMI”) individuals;
2. Community services targeted to LMI individuals;
3. Activities that promote economic development by financing business or farms that meet the size eligibility standards of the United States Small Business Administration (“SBA”) Development Company or Small Business Investment Company programs, or have gross annual incomes of \$1 million or less;
4. Activities that revitalize or stabilize LMI geographies; and
5. Activities that seek to prevent defaults and/or foreclosures in loans included in (1) and (3), above.

A “community development loan” is defined as a loan that has as its *primary purpose* community development. This includes but is not limited to loans to:

Borrowers for affordable housing rehabilitation and construction, including construction and permanent financing for multifamily rental property serving low or moderate income (“LMI”) persons;

Nonprofit organizations serving primarily LMI or other community development needs;

Borrowers to construct or rehabilitate community facilities that are located in LMI areas or that primarily serve LMI individuals;

Financial intermediaries including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds or pools, micro-finance institutions, and low-income or community development credit unions that primarily lend or facilitate lending to promote community development;

Local, state and tribal governments for community development activities; and

Borrowers to finance environmental clean-up or redevelopment of an industrial site as part of an effort to revitalize the LMI community in which the property is located.

A “qualified investment” is defined as a lawful investment, deposit, membership share or grant that has as its *primary purpose* community development. This includes but is not limited to investments, deposits, membership shares or grants in or to:

Financial intermediaries (including community development financial institutions,

community development corporations, minority- and women-owned financial institutions, community loan funds, micro-finance institutions and low-income or community development credit unions) that primarily lend or facilitate lending in LMI areas or to LMI individuals in order to promote community development;

Organizations engaged in affordable housing rehabilitation and construction;

Organizations, including, for example, small business investment corporations that promote economic development by financing small businesses;

Facilities that promote community development in LMI areas or LMI individuals, such as youth programs, homeless centers, soup kitchens, health care facilities, battered women's centers, and alcohol and drug recovery centers;

Projects eligible for low-income housing tax credits;

State and municipal obligations, such as revenue bonds that specifically support affordable housing or other community development needs;

Organizations serving LMI housing or other community development needs, such as counseling for credit, home ownership, home maintenance, and other financial services education; and

Organizations supporting activities essential to the capacity of LMI individuals or geographies to utilize credit to sustain economic development, such as day care operations and job training programs that facilitate access to permanent jobs.

A "community development service" is defined as a service that has as its *primary purpose* community development, is related to the provision of financial services, and has not been considered in the evaluation of the banking institution's retail banking services. This includes but is not limited to:

Providing technical assistance on financial matters to nonprofit, tribal or government organizations serving LMI housing or economic revitalization and development needs;

Providing technical assistance on financial matters to small businesses or community development organizations;

Lending employees to provide financial services for organizations facilitating affordable housing construction and rehabilitation or development of affordable housing;

Providing credit counseling, home buyers and home maintenance counseling, financial planning or other financial services education to promote community development and affordable housing;

Establishing school savings programs for LMI individuals;

Providing seminars for LMI persons on banking and bank account record-keeping;

Making ATM "Training Machines" available for extended periods at LMI community sites or at community facilities that serve LMI individuals; and

Technical assistance activities to community development organizations such as:

Serving on a loan review committee;

Developing loan application and underwriting standards;

Developing loan processing systems;

Developing secondary market vehicles or programs;

Assisting in marketing financial services, including the development of advertising and promotions, publications, workshops and conferences;

Furnishing financial services training for staff and management;

Contributing accounting/bookkeeping services; and
Assisting in fund raising, including soliciting or arranging investments.

Demand-Adjusted Penetration Rate

The number of owner-occupied loans made by the institution (or aggregate as appropriate) in a geographic area per thousand owner-occupied housing units in that area. Mathematically, it is arrived at by dividing the number of owner-occupied housing units into the number of loans made and then multiplying by 1,000.

Demand-Adjusted Penetration Ratio

A ratio that depicts geographic penetration of loans by comparing demand-adjusted lending in LMI areas with non-LMI areas. Mathematically, it is arrived at by dividing the demand-adjusted penetration rate in non-LMI areas into the demand-adjusted penetration rate in LMI areas and then expressed as a percentage.

A ratio of 100% means that the institution (or aggregate as appropriate) made an equal number of loans proportionally in LMI and non-LMI areas. Less than 100 percent would indicate less lending in LMI areas on the same basis compared to non-LMI areas, whereas over 100 percent would indicate a greater level of lending in LMI areas versus non-LMI areas.

Home Mortgage Disclosure Act (“HMDA”)

The Home Mortgage Disclosure Act, enacted by Congress in 1975, and subsequently amended, requires institutions to annually report data about applications for residential (including multifamily) financing.

Loans to Small Businesses

Small business loans to businesses with gross annual revenues of \$1 million or less.

Low or Moderate Income (“LMI”) Geographies

Those census tracts or block numbering areas (“BNAs”), where according to the 1990 US Census, the median family income is less than 80% of the area median family income. In the case of tracted areas that are part of a Metropolitan Statistical Area (“MSA”) or Primary Metropolitan Statistical Area (“PMSA”), this would relate to the median family income for the MSA or PMSA in which the tracts are located. In the case of BNAs and tracted areas that are not part of a MSA or PMSA, the area median family income would be the statewide nonmetropolitan median family income.

LMI Borrowers

Borrowers whose income, as reported on the loan application which the lender relied upon in making the credit decision, is less than 80% of the area median family income. In the case where the residential property is located in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide nonmetropolitan median family income. In all instances, the area median family incomes used to measure borrower income levels are updated annually by the U.S. Department of Housing and Urban Development (“HUD”).

LMI Individuals/Persons

Those individuals, whose income is less than 80% of the area median family income. In the case where the individual resides in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide nonmetropolitan median family income. In all instances, the area median family incomes used to measure individual income levels are updated annually by HUD.

Small Business Loans

Loans to businesses with original amounts of \$1 million or less.