PUBLIC DISCLOSURE

June 30, 2025

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Adirondack Trust Company
RSSD No. 645317

473 Broadway
Saratoga Springs, New York 12866

Federal Reserve Bank of New York

33 Liberty Street
New York, NY 10045

TABLE OF CONTENTS

INSTITUTION'S CRA RATING

THIS INSTITUTION IS RATED: Satisfactory

The following table indicates the performance level of The Adirondack Trust Company (ATC or the bank) with respect to the Lending, Investment, and Service Tests.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		
Low Satisfactory		X	X
Needs to Improve			
Substantial Noncompliance			

** The Lending Test is weighted more heavily than the Investment Test and Service Test in determining the overall rating.*

SUMMARY OF MAJOR FACTORS SUPPORTING RATINGS

The major factors supporting the bank's rating include:

LENDING TEST

- Lending levels reflected good responsiveness to the assessment area credit needs.
- A high percentage of loans were made in the bank's assessment areas.
- The geographic distribution of loans reflected adequate penetration throughout the assessment areas.
- The distribution of borrowers reflected, given the product lines offered by the bank, adequate penetration among retail customers of different income levels and among business customers of different sizes.
- The bank exhibited an adequate record of serving the credit needs of the most economically disadvantaged areas of its assessment areas, low-income individuals, and/or very small businesses, consistent with safe and sound banking practices.
- The bank was a leader in making community development loans.
- The bank made limited use of innovative and/or flexible lending practices in order to serve assessment area credit needs.

INVESTMENT TEST

- The bank had an adequate level of qualified community development investment and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors.
- The bank exhibited adequate responsiveness to credit and community economic development needs.
- The bank rarely used innovative and/or complex investments to support community development initiatives.

SERVICE TEST

- Delivery systems were reasonably accessible to essentially all portions of the institution's assessment areas.
- To the extent changes have been made, the bank’s opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income (LMI) geographies and/or to LMI individuals.
- Services (including business hours) did not vary in a way that inconvenienced certain portions of the assessment areas, particularly LMI geographies and/or individuals.
- The bank provided a relatively high level of community development services.

INSTITUTION

DESCRIPTION OF INSTITUTION

ATC is a full-service state member bank headquartered in Saratoga Springs, New York (NY) with total assets of $1.7 billion as of December 31, 2024. ATC operates 13 full-service branches, including its main office, and 17 automated teller machines (ATMs) in Saratoga and Warren Counties, as well as two insurance offices in Saratoga Springs and Albany, NY.

ATC offers a variety of traditional banking services, including consumer and commercial deposit and lending products. Consumer loan products include residential mortgages and construction loans, home equity loans and lines of credit, home improvement loans, unsecured personal loans, and credit card products. Commercial loan products include commercial mortgages, term loans, lines of credit, construction loans, multifamily loans, business credit cards, and small business loans. Deposit products include checking, savings, Negotiable Order of Withdrawal (NOW)/Automatic Transfer Service (ATS), time deposit, and money market deposit accounts.

Based on the December 31, 2024, Federal Financial Institutions Examination Council's (FFIEC) Consolidated Report of Condition and Income (Call Report), ATC's loan portfolio by dollar volume consisted of a mix of nonfarm nonresidential, one-to-four residential real estate, and multifamily dwellings as summarized in the following table.

Loan Portfolio		
Loan Type	**$(000's)**	**%**
1-4 Family Residential Real Estate	249,893	25.1
Construction, Land Development, and Other Land Loans	26,411	2.7
Multifamily (5 or more units) Residential Real Estate	127,051	12.8
Home Equity Line of Credit	41,281	4.1
Consumer	14,236	1.4
Agricultural Production and Other Loans to Farmers	0	0
Commercial & Industrial	75,452	7.6
Nonfarm Nonresidential Secured	456,019	45.8
Other	5,810	0.6
Total Loans	**996,153**	**100.0**
Source: Call Report as of December 31, 2024		

Based on the December 31, 2024, Uniform Bank Performance Report (UBPR), ATC's deposit portfolio by dollar volume was primarily comprised of money market, demand, and other savings deposit accounts as summarized in the following table.

Deposit Portfolio		
Deposit Type	**$(000's)**	**%**
Demand Deposits	392,726	25.8
All NOW and ATS	173,448	11.4
Money Market Deposits	515,670	33.9
Other Savings Deposits	128,934	8.5
Time Deposits at or below Insurance Limit	211,140	13.9
Time Deposits Above Insurance Limit	98,106	6.5
Total Deposits	1,520,024	**100.0**
Source: UBPR as of December 31, 2024		

There were no financial or legal factors that would prevent the bank from fulfilling its responsibilities under the CRA.

Previous Public Evaluation

The Federal Reserve Bank of New York assigned a rating of Satisfactory, at the prior CRA Performance Evaluation dated December 5, 2022, using the FFIEC Intermediate Small CRA Examination Procedures. The Lending Test was rated Satisfactory, and the Community Development Test was rated Outstanding**.** As of January 1, 2022, ATC met the asset threshold to be evaluated as Large Bank. This is the bank's first evaluation as a Large Bank.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its CRA performance. During the evaluation period, ATC did not make any changes to its two delineated assessment areas. However, pursuant to the 2020 U.S. Census Bureau, the assessment areas were revised to include the newly delineated census tracts.

1. **Metropolitan Statistical Area (MSA) 10580 (Albany-Schenectady-Troy, NY)**
   This assessment area consisted of a portion of Saratoga County within MSA 10580 (Albany-Schenectady-Troy, NY) and received a full scope review. Due to the U.S. Department of Commerce's Bureau of the Census 2020 (2020 U.S. Census) revisions, the number of census tracts in this assessment area increased from 30 to 41. Notably, the number of moderate-income census tracts increased from five to eight. This assessment area continues to have no low-income census tracts.

2. **MSA 24020 (Glens Falls, NY)**
   This assessment area consisted of a portion of Warren County within MSA 24020 (Glens Falls, NY) and received a limited scope review. Due to the 2020 U.S. Census revisions, the number of tracts in this assessment area increased from 13 to 16. Notably, the number of low-income census tracts increased from zero to one tract and the number of moderate-income census tracts increased from one to two tracts.

The bank's assessment areas were in compliance with the requirements of Section 228.41 of Regulation BB. Maps illustrating the bank's assessment areas are in Appendix A.

SCOPE OF EVALUATION

Procedures

To assess ATC's CRA performance, examiners applied the FFIEC's Large Institution CRA Examination Procedures, which includes the Lending Test, the Investment Test, and the Service Test. The evaluation considered the performance context, including the bank's asset size, financial condition, market competition, assessment area demographics, and credit and community development needs.

Products

During this evaluation, home mortgage and small business loans were analyzed as these loan types represented the major product lines based on a review of bank records, business strategy, and loan portfolio composition. During the review period, ATC was a Home Mortgage Disclosure Act (HMDA) reporter and a CRA Small Business reporter for 2022, 2023, and 2024. For the Lending Test, home mortgage loans included home purchase, home improvement, home refinance, and multifamily loans, which examiners combined and analyzed collectively, as individually, the loan volumes were insufficient to provide meaningful analysis. The bank did not originate small farm loans; thus, they were excluded from the evaluation. Small business loans included commercial real estate loans, commercial and industrial loans, and lines of credit in amounts of $1.0 million or less. Examiners verified the integrity of the bank's HMDA- and CRA-reported data from January 1, 2022 through December 31, 2024.

Examiners also analyzed community development loans, investments, and services. Multifamily loans qualifying as community development loans were also considered in the evaluation of community development lending.

Evaluation Period

Examiners reviewed the bank's home mortgage and small business loans originated between January 1, 2022 through December 31, 2024. The evaluation of the bank's community development loans, qualified investments, philanthropic grants, and community development services included all qualified activities from October 1, 2022 through December 31, 2024. The Investment Test also included the current book value of any qualified investments outstanding from the prior evaluation.

Lending Analysis

Under the Lending Test, geographic and borrower distribution analyses were based on loan activity inside ATC's assessment areas. The bank's 2022, 2023, and 2024 home mortgage lending was compared to the 2020 U.S. Census demographic data and aggregate home mortgage loan data for 2022, 2023, and 2024. The bank's record of small business lending was compared to 2022, 2023, and 2024 Dun & Bradstreet (D&B) demographic data and aggregate small business loan data for 2022, 2023, and 2024. Aggregate lenders included all lenders required to report HMDA- and CRA-reportable small business lending data within the assessment area. For retail services, the bank's branch distribution analysis was conducted using data as of December 31, 2024.

To evaluate the geographic distribution of the bank's home mortgage lending, the proportion of home mortgage loan originations located in LMI geographies was compared to the proportion of owner-occupied housing units located in LMI geographies. For small business loans, the geographic distribution analysis compared the proportion of loan originations located in LMI geographies with the proportion of businesses located in LMI geographies, based on D&B data. Performance in LMI geographies was analyzed separately. The lending analysis also considered lending opportunities in LMI census tracts as indicated by demographic data.

To analyze the distribution of home mortgage lending by borrower profile, the proportion of originations to LMI borrowers was compared to the proportion of LMI families residing in the assessment area. Median family income (MFI) estimates from the FFIEC were used to categorize borrower income. For small business lending, ATC's proportion of loans to businesses with gross annual revenues (GAR) of $1.0 million or less, based on D&B data, were compared to the proportion of all such businesses located in the assessment area.

Community Development Activity Analysis

Community development activities were reviewed to determine whether activities had community development as a primary purpose and whether the community development activities benefited the bank's assessment area or the broader statewide or regional area (BSRA) if the institution met the needs of its existing assessment area. The eligibility of a loan, investment, or service as a community development activity was based on demographic information at the time the community development activity was undertaken. Qualified community development activities were analyzed from both the quantitative and qualitative perspectives to understand the volume of activity impacting a particular assessment area, the innovativeness of those activities, and the responsiveness to local community development and credit needs. When appropriate, peer comparisons were conducted using annualized metrics to gauge the relative performance of the bank in a particular assessment area.

Deriving Overall Conclusions

Examiners conducted a full scope review for one of the two assessment areas. ATC's performance in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area received a full scope review based on the area's concentration of deposits, branches, ATMs, and overall lending activity, and thus was used in determining the overall rating. The MSA 24020 (Glens Falls, NY) assessment area received a limited scope review based on lower deposit, lending volumes, and market presence. Demographic and economic information was considered in the bank's performance context and is discussed in detail within the review of MSA 10580 (Albany-Schenectady-Troy, NY) assessment area. In reaching a conclusion within an individual assessment area, products were weighted based on their volume in that area.

Community Contacts

To learn more about community credit needs, examiners conducted interviews with two community organizations. Please refer to the Community Contacts section within MSA 10580 (Albany-Schenectady-Troy, NY) assessment area for more details.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

The conclusions within this section present the bank's performance at the institution level. Please refer to the respective assessment area sections for more details.

LENDING TEST

ATC's overall performance under the Lending Test was rated High Satisfactory. This rating is primarily driven by the bank's borrower profile performance and community development lending activities.

Lending Activity

Lending levels reflected good responsiveness to the assessment area credit needs, given the bank's capacity to meet the assessment area's credit needs and overall market conditions. This conclusion is based primarily on the performance in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area.

During the evaluation period, the bank made 464 home mortgage loans totaling $307.0 million and 461 small business loans totaling approximately $85.8 million. This lending activity represented an overall annualized performance over 36 months of 155 home mortgage loans totaling $102.2 million and 154 small business loans totaling $28.6 million. Annualized performance decreased by 39.6% by number of home mortgage loans and 75.3% of small business loans by number, when compared to the bank's previous evaluation's annualized performance of 256 home mortgage loans and 622 small business loans over 48 months. The decrease in home mortgage lending activity was attributed to a high-interest rate environment and reduced housing affordability following the COVID-19 pandemic. Additionally, the decrease in small business lending was attributed to the previous evaluation period including Paycheck Protection Program (PPP) originations. In the prior evaluation, the bank originated 1,570 PPP loans which represented a substantial majority (79.6%) of the bank's total small business loans.

The bank's institutional lending activity is summarized in the table below.

Summary of Institution Lending Activity				
Loan Type	**#**	**%**	**$ (000's)**	**%**
Home Improvement	37	4.0	3,195	0.8
Home Purchase	284	30.7	114,336	29.1
Multifamily	52	5.6	163,648	41.7
Home Refinance	91	9.8	25,412	6.5
Total Home Mortgage	**464**	**50.2**	**306,591**	**78.1**
Total Small Business	**461**	**49.8**	**85,759**	**21.9**
TOTAL LOANS	**925**	**100.0**	**392,350**	**100.0**
Source: Bank data, HMDA- and CRA-reported data January 1, 2022 to December 31, 2024				

Assessment Area Concentration

A high percentage of loans were made in the bank's assessment areas. As shown in the subsequent table, 77.0% of the bank's total loans by number and 78.0% by dollar volume were made in the bank's assessment areas. The bank displayed a stronger performance in home mortgage lending, by number and dollar volume, with 80.8% by number and 81.4% by dollar volume of such loans extended within the assessment areas. The bank also displayed a high percentage of small business loans by number (73.1%) and a slightly lesser percentage by dollar volume (66.1%) extended within the assessment areas.

The bank's lending inside and outside the assessment areas is summarized in the following table.

Lending Inside and Outside the Assessment Area								
	Inside				Outside			
Loan Type	**#**	**%**	**$(000's)**	**%**	**#**	**%**	**$(000's)**	**%**
Home Purchase	223	78.5	91,060	79.6	61	21.5	23,276	20.4
Home Improvement	31	83.8	2,888	90.4	6	16.2	307	9.6
Multifamily	39	75.0	132,016	80.7	13	25.0	31,632	19.3
Home Refinance	82	90.1	23,482	92.4	9	9.9	1,930	7.6
Total Home Mortgage	**375**	**80.8**	**249,446**	**81.4**	**89**	**19.2**	**57,145**	**18.6**
Total Small Business	**337**	**73.1**	**56,658**	**66.1**	**124**	**26.9**	**29,101**	**33.9**
TOTAL LOANS	**712**	**77.0**	**306,104**	**78.0**	**213**	**23.0**	**86,246**	**22.0**
Source: Bank data; HMDA- and CRA-reported data, January 1, 2022 to December 31, 2024								

Geographic Distribution of Loans

The geographic distribution of loans reflected adequate penetration throughout the assessment areas. This conclusion is based primarily on performance in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area. For details, please refer to the Geographic Distribution of Loans section for the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area.

Borrower Profile

The borrower distribution of loans reflected adequate penetration throughout the assessment areas. This conclusion is based primarily on the performance in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area. For details, please refer to the Borrower Profile section for MSA 10580 (Albany-Schenectady-Troy, NY) assessment area.

Responsiveness to Credit Needs of Low and Moderate-Income Individuals and Small Businesses

The bank exhibited an adequate record of serving the credits needs of the most economically disadvantaged areas of its assessment areas, low-income individuals, and/or very small businesses, consistent with safe and sound banking practices. This conclusion is based primarily on the performance in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area.

Community Development Lending Activities

ATC is a leader in making community development loans. This conclusion is based primarily on the performance in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area.

During the evaluation period, the bank originated 37 community development loans for $61.3 million within its assessment areas, including the BSRA. Since the bank met the needs of the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area, community development loans that benefited the BSRA were also considered. This lending level represented an annualized performance over 27 months of $27.2 million. Compared to the previous evaluation, when the bank had an annualized performance of $22.0 million, this represented an increase by dollar volume of 23.7%. Additionally, the annualized number of community development loans increased by 31.2%, or from approximately 13 loans to 16 loans.

The table below illustrates the bank's community development loan activity by assessment area and purpose.

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	$(000's)	#	$(000's)	#	$(000's)	#	$(000's)	#	$(000's)
MSA 10580 (Albany-Schenectady-Troy, NY)	4	1,540	7	748	6	25,088	2	848	**19**	**28,224**
MSA 24020 (Glens Falls, NY	1	312	0	0	9	13,056	0	0	**10**	**13,368**
BSRA	0	0	0	0	6	16,701	2	3,000	**8**	**19,701**
Total	**5**	**1,852**	**7**	**748**	**21**	**54,845**	**4**	**3,848**	**37**	**61,293**
Source: Bank data, October 1, 2022 to December 31, 2024										

Innovative and/or Flexible Lending Practices

The bank made limited use of innovative and/or flexible lending practices in order to serve assessment area credit needs. This conclusion is based primarily on the performance in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area.

INVESTMENT TEST

ATC's overall performance under the Investment Test was rated Low Satisfactory.

Investment and Grant Activity

ATC had an adequate level of qualified community development investment and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors. This conclusion is based primarily on the performance in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area.

During the evaluation period, the bank reported 98 qualified investments and grants totaling $8.7 million, which included 1 new investment for $5.0 million, 8 prior period investments for $3.5 million and 89 grants totaling $212,000. The new investment consisted of a mortgage-backed security secured by a multifamily property which includes units reserved for families who earn below 60.0% of the area median income in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area. Of the 8 prior period investments, 2 investments (25.0%) were located within the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area and 5 investments (62.5%) benefited the BSRA.

The total level of investment and grant activity represented an annualized performance over 27 months of $3.8 million. Compared to the previous evaluation, where the bank had an annualized performance of $2.3 million, performance by dollar volume increased by 65.9%. Although there was a significant increase in performance by dollar volume, it was primarily driven by the $5.0 million mortgage-backed security investment in MSA 10580 (Albany-Schenectady-Troy, NY) assessment area.

The table below illustrates the bank's community development investment and grant activity by assessment area and purpose.

Qualified Investments and Grants by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	$(000's)	#	$(000's)	#	$(000's)	#	$(000's)	#	$(000's)
MSA 10580 (Albany-Schenectady-Troy, NY)	2	6,288	0	0	0	0	1	63	**3**	**6,351**
MSA 24020 (Glens Falls, NY)	0	0	0	0	0	0	1	330	**1**	**330**
BSRA	2	1,001	0	0	0	0	3	854	**5**	**1,855**
Total Investments	**4**	**7,289**	**0**	**0**	**0**	**0**	**5**	**1,247**	**9**	**8,536**
Total Grants	**3**	**28**	**76**	**163**	**7**	**12**	**3**	**9**	**89**	**212**
Grand Total	**7**	**7,317**	**76**	**163**	**7**	**12**	**8**	**1,256**	**98**	**8,748**
Source: Bank data, October 1, 2022 to December 31, 2024										

Responsiveness to Credit and Community Development Needs

The bank exhibited adequate responsiveness to credit and community economic development needs. This conclusion is based primarily on performance in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area.

Community Development Initiatives

The bank rarely used innovative and/or complex investments to support community development initiatives. This conclusion is based primarily on performance in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area.

SERVICE TEST

ATC's overall performance under the Service Test was rated Low Satisfactory.

Retail Services

Accessibility of Delivery Systems

Delivery systems were reasonably accessible to essentially all portions of the bank's assessment areas. This conclusion is based primarily on the performance in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area.

Changes in Branch Locations

To the extent changes have been made, the bank's opening and closing of branches did generally not adversely affect the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals. This conclusion is based primarily on the performance in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area.

Reasonableness of Business Hours and Services

Services (including where appropriate, business hours) did not vary in a way that inconvenienced certain portions of the assessment areas, particularly LMI geographies and/or individuals. This conclusion is based primarily on performance in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area.

Community Development Services

ATC provided a relatively high level of community development services. This conclusion is based primarily on performance in the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area.

The bank provided 97 community development services solely within the MSA 10580 (Albany-Schenectady-Troy, NY) assessment area and BSRA, primarily addressing community service needs. This represented an annualized performance over 27 months of approximately 43 community development services. This represented a slight decrease of 14.0% compared to the previous evaluation's annualized performance of approximately 50 community development services. Services were primarily targeted toward affordable housing (16.5%) and community services (61.9%), which were responsive to the community development needs.

The table below illustrates the bank's community development services by assessment area and purpose.

Community Development Services by Assessment Area					
Assessment Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
MSA 10580 (Albany-Schenectady-Troy, NY)	16	57	12	6	**91**
MSA 24020 (Glens Falls, NY)	0	0	0	0	**0**
BSRA	0	3	3	0	**6**
Total	**16**	**60**	**15**	**6**	**97**
Source: Bank data, October 1, 2022 to December 31, 2024					

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The bank was in compliance with the substantive provisions of the anti-discrimination laws and regulations. No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet the community credit needs of the assessment area was identified.

MSA 10580 (ALBANY-SCHENECTADY-TROY, NY) – FULL SCOPE REVIEW

DESCRIPTION OF INSTITUTION'S OPERATIONS

ATC operated 10 (76.9%) of its 13 branch locations and 14 (82.4%) of its 17 full-service ATMs in this assessment area during the evaluation period. In addition, the bank operated 9 cash only ATMs in this assessment area.

According to the June 30, 2024 FDIC Summary of Deposit Report, 17 institutions operated 72 offices within this assessment area. ATC ranked first with approximately $1.3 billion in deposits, which represented 19.4% of the deposit market share and accounted for 94.0% of the bank's total branch deposits. This assessment area generated approximately 55.0% by number and 53.2% by dollar volume of the bank's combined total lending activity from January 1, 2022 to December 31, 2024. Competitors included large financial institutions, such as Bank of America, KeyBank, and Citizens Bank as well as regional and local banks, such as Trustco Bank, Ballston Spa National Bank, and Pioneer Bank.

SCOPE OF EVALUATION

Examiners used full scope examination procedures to evaluate the bank's performance in this assessment area.

PERFORMANCE CONTEXT

The following demographic and economic information were used to describe this assessment area and to evaluate the context in which the bank operated. The information was obtained from publicly available sources, including the American Community Survey (ACS), Bureau of Labor Statistics (BLS), D&B, FFIEC, U.S. Census, and U.S. Department of Housing and Urban Development (HUD).

Demographic Characteristics

The assessment area included a portion of Saratoga County, NY. According to the 2020 U.S. Census, the population of this assessment area was 149,554. The assessment area consisted of 41 census tracts of which 8 or 19.5% were moderate-income, 22 or 53.7% were middle-income, 10 or 24.4% were upper-income, and 1 or 2.4% was of unknown-income. There were no low-income census tracts located within the assessment area.

Income Characteristics

Based on the 2020 U.S. Census, the assessment area had 39,028 families, of which 17.7% were low-income (4.1% of which were below the poverty level), 17.4% were moderate-income, 22.5% were middle-income, and 42.3% were upper-income. This data suggests it would be difficult for LMI families to qualify for a home mortgage loan or support a monthly mortgage payment, especially considering the area's median housing value of $253,735. Therefore, lenders may have faced challenges originating loans to LMI borrowers.

The following table depicts the MFIs for the assessment area for 2015 and 2020.

Median Family Income Change			
Geographic Area	**2015 MFI**	**2020 MFI**	**% Change**
Assessment Area	$95,656	$106,258	11.1
MSA 10580 (Albany-Schenectady-Troy, NY)	$88,611	$95,438	7.7
State of NY	$78,570	$87,270	11.1
Source: 2015 ACS and 2020 U.S. Census; MFIs have been inflation-adjusted and expressed in 2020 dollars.			

Housing Characteristics

Based on the 2020 U.S. Census, the assessment area had 67,621 housing units, of which 63.4% were owner-occupied, 27.9% were rental, and 8.7% were vacant. Of the total housing units, 14.0% were located in moderate-income census tracts, 61.9% in middle-income census tracts, and 24.1% in upper-income census tracts. In moderate-income census tracts, 52.1% of housing units were owner-occupied, 37.1% were rental units, and 10.7% were vacant. This data suggests that there was a greater opportunity to own housing units in moderate-income geographies in this assessment area, which would indicate a greater opportunity for lenders to originate home mortgage loans in moderate-income geographies.

The median age of housing stock in this assessment area was 45 years old, with 22.5% of the stock built before 1950. The median age of housing stock was 61 years in moderate-income census tracts. According to the 2020 U.S. Census, the median housing value in this assessment area was $253,735 with an affordability ratio of 31.9. The median gross rent in the assessment area was $1,157 per month.

The table below depicts the housing characteristics in the assessment area.

Housing Characteristics			
Geographic Area	**2020 Median Housing Value**	**2020 Affordability Ratio**	**2020 Median Gross Rent**
Assessment Area	$253,735	31.9	$1,157
MSA 10580 (Albany-Schenectady-Troy, NY)	$221,155	32.9	$1,039
State of NY	$325,000	21.9	$1,315
Source: 2020 U.S. Census			

Housing Cost Burden

Housing costs were relatively expensive in this assessment area, which indicated that affordable housing for LMI individuals and families continued to be a challenge. According to HUD, within the assessment area, 34.7% of all rental households, 76.0% of low-income rental households, and 37.5% of moderate-income rental households had rental costs that exceeded 30.0% of their income. Additionally, 16.5% of homeowners, 61.9% of low-income homeowners, and 28.7% of moderate-income homeowners had housing costs that exceeded 30.0% of their income. This data suggests that the high rate of housing cost among LMI renters and homeowners reflected ongoing affordability challenges in the area. These conditions may have limited opportunities for lenders to originate home mortgage loans in this assessment area. Additional housing cost data is provided in the following table.

Housing Cost Burden*						
Area	Cost Burden-Renters			Cost Burden-Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Assessment Area	76.0%	37.5%	34.7%	61.9%	28.7%	16.5%
MSA 10580 (Albany-Schenectady-Troy, NY)	75.6%	26.8%	39.5%	61.5%	28.6%	16.7%
State of NY	76.4%	42.8%	46.8%	70.8%	40.8%	25.5%
**Housing Cost Burden is housing cost that equals 30% or more of household income.* *Source: HUD 2017-2021 Comprehensive Housing Affordability Strategy*						

Labor, Employment and Economic Characteristics

According to D&B, there were 5,880 businesses operating in this assessment area in 2024, of which 9.8% were in moderate-income census tracts. Of the total businesses operating in the assessment area, 92.4% were small businesses with GAR of $1.0 million or less, of which 9.7% were in moderate-income census tracts.

According to the BLS, unemployment in the assessment area was 2.7% in 2022, and rose slightly to maintain 2.9% in 2023 and 2024. In contrast, the state of New York had an unemployment rate that was significantly higher at 4.3% in 2022, decreasing slightly to 4.2% in 2023 before returning to 4.3% in 2024. This data indicates that the assessment area experienced lower unemployment than the overall state.

Additional unemployment rates are provided in the subsequent table.

Unemployment Rates			
Area	2022	2023	2024
Assessment Area	2.7%	2.9%	2.9%
MSA 10580 (Albany-Schenectady-Troy, NY)	3.1%	3.2%	3.3%
State of NY	4.3%	4.2%	4.3%
Source: BLS, Local Area Unemployment Statistics			

Additional performance context for this assessment area is provided in the following table.

Assessment Area Demographics								
Income Categories	**Tract Distribution**		**Families by Tract Income**		**Families < Poverty Level as % of Families by Tract**		**Families by Family Income**	
	#	%	#	%	#	%	#	%
Low	0	0	0	0	0	0	6,922	17.7
Moderate	8	19.5	5,027	12.9	395	7.9	6,784	17.4
Middle	22	53.7	23,788	61.0	1,008	4.2	8,798	22.5
Upper	10	24.4	10,210	26.2	203	2.0	16,524	42.3
Unknown	1	2.4	3	0	0	0	0	0
Total Assessment Area	**41**	**100.0**	**39,028**	**100.0**	**1,606**	**4.1**	**39,028**	**100.0**
	Housing Units by Tract	**Housing Types by Tract**						
		Owner-Occupied			**Rental**		**Vacant**	
		#	%	%	#	%	#	%
Low	0	0	0	0	0	0	0	0
Moderate	9,487	4,945	11.5	52.1	3,524	37.1	1,018	10.7
Middle	41,832	26,087	60.9	62.4	12,322	29.5	3,423	8.2
Upper	16,299	11,809	27.6	72.5	3,044	18.7	1,446	8.9
Unknown	3	3	0	100.0	0	0	0	0
Total Assessment Area	**67,621**	**42,844**	**100.0**	**63.4**	**18,890**	**27.9**	**5,887**	**8.7**
	Total Businesses by Tract		**Businesses by Tract & Revenue Size**					
			Less Than or = $1.0 Million		**Over $1.0 Million**		**Revenue Not Reported**	
	#	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Low	0	0	0	0	0	0	0	0
Moderate	575	9.8	525	9.7	34	9.6	16	17.8
Middle	3,718	63.2	3,426	63.0	234	65.9	58	64.4
Upper	1,584	26.9	1,483	27.3	85	23.9	16	17.8
Unknown	3	0.1	1	0	2	0.6	0	0
Total Assessment Area	**5,880**	**100.0**	**5,435**	**100.0**	**355**	**100.0**	**90**	**100.0**
	% of Total Businesses:			**92.4**		**6.0**		**1.5**
	Total Farms by Tract		**Farms by Tract & Revenue Size**					
			Less Than or = $1.0 Million		**Over $1.0 Million**		**Revenue Not Reported**	
	#	%	#	%	#	%	#	%
Low	0	0	0	0	0	0	0	0
Moderate	7	5.1	7	5.3	0	0	0	0
Middle	112	81.2	105	80.2	7	100.0	0	0
Upper	19	13.8	19	14.5	0	0	0	0
Unknown	0	0	0	0	0	0	0	0
Total Assessment Area	**138**	**100.0**	**131**	**100.0**	**7**	**100.0**	**0**	**0**
	% of Total Farms:			**94.9**		**5.1**		**0**
Source: 2024 FFIEC and 2024 D&B								

Community Contact

To understand community development and credit needs, recent community contact interviews were conducted with representatives within the assessment area. The contacts had expertise in their respective fields and were familiar with the economic and community development opportunities in the assessment area. Information obtained from these interviews helped establish a context for the communities within the assessment area.

Examiners conducted two community contact interviews. The first interview was conducted with a representative from a non-profit organization that serves the assessment area and provides essential services, including food programs and family services to LMI families. The representative highlighted affordable housing as a persistent and growing need, with limited inventory and rising costs making available options largely unaffordable for LMI residents. The representative also indicated that while the local economy is generally strong, the need for support services such as transportation and food pantries increased as pandemic-era relief programs expired, leading to higher demand across community resources. Additionally, the contact further indicated that access to small business financing, particularly working capital lines of credit, was a need within the assessment area.

A second interview was conducted with a representative from a nonprofit affordable housing organization that serves the assessment area and partners with government agencies, municipalities, and philanthropic donors to help local LMI families achieve homeownership. The representative indicated that the local economy is generally stable; however, the housing market remained under pressure. According to the contact, this was largely due to an influx of New York City residents buying homes in the assessment area, which increased property costs in the assessment area. Additionally, the representative noted that with the arrival of a large chip manufacturer in the region, an increase in out-of-area workers may have led to tightening housing supply and contributed to rising costs. Further, the representative stated that most new developments were aimed at higher-income buyers, and less at affordable housing, leaving local working families with limited options to purchase a home in an increasingly competitive housing market.

Considering information from the community contacts, bank management, and demographic and economic data, examiners determined that affordable housing and community services represented the primary community development needs in this assessment area.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

ATC's performance under the Lending Test was good in this assessment area. This rating is primarily driven by the bank's borrower profile lending performance and community development lending activities.

Lending Activity

Lending levels reflected good responsiveness to the assessment area credit needs. This conclusion was based on the bank's volume of home mortgage and small business loans originated during the evaluation period.

As shown in the subsequent table, the bank made 287 home mortgage loans totaling $170.1 million and 222 small business loans totaling approximately $38.8 million. This lending activity represented an overall annualized performance over 36 months of 96 home mortgage loans totaling $56.7 million and 74 small business loans totaling $12.9 million. Annualized performance decreased by 45.2% by number of home mortgage loans, and 80.9% of small business loans by number, when compared to the bank's previous evaluation's annualized performance of 175 home mortgage loans and 388 small business loans over 48 months. The decrease in home mortgage lending activity was attributed to a high-interest rate environment and reduced housing affordability following the pandemic. Additionally, the decrease in small business lending was attributed to the previous evaluation period including PPP originations.

In 2024, ATC ranked 9 out of 160 HMDA lending reporters with a market share of 3.0%. This compares to a ranking of 11 out of 152 (2.9%) in 2023 and 10 out of 194 (2.6%) in 2022, reflecting a slight increase in market share during the evaluation period. The institutions that ranked higher than ATC were regional banks, credit unions, and large mortgage lending companies. The top 3 institutions captured 24.1% of the total market share in 2024, 27.4% in 2023, and 20.7% in 2022 indicating a fluctuating but overall upward trend in market concentration among the leading lenders over the 3-year period. This indicates that the bank is a significant mortgage lender in the market, outperforming most peers despite intense competition from larger or specialized institutions.

In 2024, ATC ranked 10 out of 71 CRA small business lending reporters with a market share of 1.8%. This compares to a ranking of 10 out of 72 (2.2%) in 2023 and 10 out of 73 (2.5%) in 2022, reflecting a downward trend in market share during the evaluation period. The top 3 institutions captured 54.3% of the total market share in 2024, 53.3% in 2023, and 49.0% in 2022 indicating an upward trend in market concentration among the leading lenders over the 3-year period. This indicates the bank maintains a meaningful level of business lending activity in a highly concentrated market dominated by significantly larger institutions.

The bank's lending activity is summarized in the table below.

Summary of Lending Activity				
Loan Type	**#**	**%**	**$(000's)**	**%**
Home Improvement	24	4.7	2,733	1.3
Home Purchase	176	34.6	76,592	36.7
Multifamily	27	5.3	73,140	35.0
Home Refinance	60	11.8	17,616	8.4
Total Home Mortgage	**287**	**56.4**	**170,081**	**81.4**
Total Small Business	**222**	**43.6**	**38,766**	**18.6**
TOTAL LOANS	**509**	**100.0**	**208,847**	**100.0**
Source: Bank data, HMDA- and CRA-reported data January 1, 2022 to December 31, 2024				

Geographic Distribution of Loans

The geographic distribution of loans reflected adequate penetration through the assessment area. Lending penetration in moderate-income census tracts was adequate for home mortgage loans and adequate for small business loans.

This analysis was based on the geographic distribution of loans in the eight moderate-income census tracts, as this assessment area did not contain any low-income census tracts. Given the low number of moderate-income geographies and lack of low-income geographies, examiners gave less weight to the geographic distribution of loans.

<u>Gap Analysis</u>

ATC demonstrated a good level of dispersion in moderate-income census tracts in the assessment area. The bank's performance in moderate-income tracts reflected an increasing trend in 2024 with 87.5% penetration, compared to 75.0% in 2023 and 2022.

The bank's lending gap analysis in the assessment area is summarized in the table below.

Lending Gap Analysis			
Tract Income Levels	**Number of Tracts**	**Tracts with no Loans**	**Penetration %**
2024			
Low	0	0	0
Moderate	8	1	87.5
Middle	22	3	86.4
Upper	10	0	100.0
Unknown	1	1	0
2023			
Low	0	0	0
Moderate	8	2	75.0
Middle	22	2	90.9
Upper	10	0	100.0
Unknown	1	1	0
2022			
Low	0	0	0
Moderate	8	2	75.0
Middle	22	2	90.9
Upper	10	1	90.0
Unknown	1	1	0
Source: Bank data, January 1, 2022 to December 31, 2024.			

Home Mortgage Loans

The geographic distribution of home mortgage loans reflected adequate penetration throughout the assessment area.

Geographic Distribution of Home Mortgage Loans							
Geographic Income Level	**Bank And Aggregate Loans**						**Owner-Occupied Units %**
	Bank		**Agg**	**Bank**		**Agg**	
	#	**#%**	**#%**	**$(000's)**	**$%**	**$%**	
Moderate							
2024	9	10.6	11.3	4,014	9.7	8.4	11.5
2023	9	10.5	11.6	1,895	7.1	9.1	11.5
2022	13	11.2	11.7	6,420	6.3	12.4	11.5
Middle							
2024	44	51.8	57.5	23,012	55.4	59.8	60.9
2023	51	59.3	60.1	16,078	60.5	58.6	60.9
2022	69	59.5	57.4	81,111	79.6	54.2	60.9
Upper							
2024	32	37.6	31.3	14,543	35.0	31.8	27.6
2023	26	30.2	28.3	8,600	32.4	32.3	27.6
2022	34	29.3	30.9	14,408	14.1	33.3	27.6
Unknown							
2024	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0
Totals							
2024	**85**	**100.0**	**100.0**	**41,569**	**100.0**	**100.0**	**100.0**
2023	**86**	**100.0**	**100.0**	**26,573**	**100.0**	**100.0**	**100.0**
2022	**116**	**100.0**	**100.0**	**101,939**	**100.0**	**100.0**	**100.0**

Source: 2022-2024 FFIEC; 2020 U.S. Census
Note: Percentages may not total 100.0 percent due to rounding.

There were no low-income census tracts in this assessment area.

In 2024, the bank's lending performance was slightly below the percentage of owner-occupied housing units located in moderate-income census tracts, slightly below the aggregate by number, and slightly above the aggregate by dollar amount. In 2023, the bank's lending performance was slightly below the percentage of owner-occupied housing units located in moderate-income census tracts and slightly below the aggregate by number and dollar amount. In 2022, the bank's lending performance was similar to the percentage of owner-occupied housing units located in moderate-income census tracts, similar to the aggregate by number, and below the aggregate by dollar amount. As a result, performance within moderate-income census tracts was adequate.

Small Business Loans

The geographic distribution of small business loans reflected adequate penetration throughout the assessment area.

Geographic Distribution of Small Business Loans							
Geographic Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	#%	#%	$(000's)	$%	$%	
Moderate							
2024	7	10.9	9.1	801	8.5	9.9	9.8
2023	5	6.9	9.7	681	6.2	8.1	9.7
2022	6	7.0	9.1	1,906	10.3	7.1	9.8
Middle							
2024	40	62.5	61.6	5,116	54.5	63.7	63.2
2023	52	72.2	61.9	7,252	66.4	60.5	63.5
2022	54	62.8	62.6	10,445	56.6	67.8	63.7
Upper							
2024	17	26.6	29.2	3,473	37.0	26.4	26.9
2023	15	20.8	28.4	2,986	27.3	31.4	26.7
2022	26	30.2	28.3	6,106	33.1	25.1	26.4
Unknown							
2024	0	0	0	0	0	0	0.1
2023	0	0	0	0	0	0	0.1
2022	0	0	0	0	0	0	0.1
Totals							
2024	**64**	**100.0**	**100.0**	**9,390**	**100.0**	**100.0**	**100.0**
2023	**72**	**100.0**	**100.0**	**10,919**	**100.0**	**100.0**	**100.0**
2022	**86**	**100.0**	**100.0**	**18,457**	**100.0**	**100.0**	**100.0**
Source: 2022-2024 FFIEC; 2022-2024 D&B; 2020 U.S. Census: ACS *Note: Percentages may not total 100.0 percent due to rounding.*							

In 2024, the bank's lending performance was slightly above the percentage of businesses located in moderate-income census tracts, above the aggregate by number, and below the aggregate by dollar amount. In 2023, the bank's lending performance was below the percent of businesses located in moderate-income census tracts and below the aggregate by number and dollar amount. In 2022, the bank's lending performance was below the percent of businesses located in moderate-income census tracts, below the aggregate by number, and was above the aggregate by dollar amount. As a result, performance within moderate-income census tracts was adequate.

Borrower Profile

The borrower distribution of loans reflected, given the product lines offered, adequate penetration among customers of different income levels and businesses of different sizes. Home mortgage lending to LMI borrowers and businesses with GAR of $1.0 million or less was adequate. Given the community contact observations that the local economy is stable but affordable housing remains an underserved need, examiners gave more weight to home mortgage loans than small business loans in the borrower distribution analysis.

<u>Home Mortgage Loans</u>

The borrower distribution of home mortgage loans reflected adequate penetration throughout the assessment area. Examiners placed greater weight on the aggregate performance, since the aggregate was a better indicator of demand. Additionally, considering the difficulty in home mortgage lending to low-income borrowers, examiners placed greater emphasis on the bank's home mortgage loan performance to low-income borrowers.

Borrower Distribution of Home Mortgage Loans							
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	
	#	#%	#%	$(000's)	$%	$%	
Low							
2024	2	2.5	6.8	402	1.0	2.9	17.7
2023	7	8.6	7.5	1,282	5.1	3.2	17.7
2022	7	7.1	7.7	1,430	4.3	4.0	17.7
Moderate							
2024	8	10.0	19.5	2,441	6.3	13.0	17.4
2023	13	16.0	20.3	2,096	8.4	13.6	17.4
2022	13	13.1	20.3	2,235	6.7	14.9	17.4
Middle							
2024	18	22.5	23.9	5,076	13.2	20.0	22.5
2023	11	13.6	23.9	1,861	7.4	20.7	22.5
2022	18	18.2	26.9	5,758	17.3	23.9	22.5
Upper							
2024	41	51.3	39.4	24,675	64.0	53.1	42.3
2023	43	53.1	40.4	18,410	73.5	53.5	42.3
2022	42	42.4	37.5	18,332	55.0	49.3	42.3
Unknown							
2024	11	13.8	10.4	5,945	15.4	11.0	0
2023	7	8.6	7.9	1,409	5.6	9.1	0
2022	19	19.2	7.5	5,589	16.8	7.9	0
Totals							
2024	**80**	**100.0**	**100.0**	**38,539**	**100.0**	**100.0**	**100.0**
2023	**81**	**100.0**	**100.0**	**25,058**	**100.0**	**100.0**	**100.0**
2022	**99**	**100.0**	**100.0**	**33,344**	**100.0**	**100.0**	**100.0**

Source: 2022-2024 FFIEC; 2020 U.S. Census; Multifamily loans are not included in the borrower distribution analysis
Note: Percentages may not total 100.0 percent due to rounding. Multifamily loans are not included in the borrower distribution analysis.

In 2024, the bank's lending performance was significantly below the percentage of low-income families and below the aggregate by number and dollar amount. In 2023, the bank's lending performance was significantly below the percent of low-income families and slightly above the aggregate by number and dollar amount. In 2022, the bank's lending performance was significantly below the percent of low-income families, and similar to the aggregate by number and dollar amount.

In 2024, the bank's lending performance was significantly below the percentage of moderate-income families and significantly below the aggregate by number and dollar amount. In 2023, the bank's lending performance was slightly below the percentage of moderate-income families and below the aggregate by number and dollar amount. In 2022, the bank's lending performance was below the percent of moderate-income families and significantly below the aggregate by number and dollar amount.

The lower performance in 2024 is partially attributable to high mortgage interest rates and rising home prices, which made it harder for LMI borrowers to afford a loan to buy a home. Given the increased difficulty of serving this segment and the persistent affordability challenges in the market, performance was adequate.

Small Business Loans

The borrower distribution of small business loans reflected adequate penetration throughout the assessment area. Although comparison to demographics was made, examiners placed greater weight on comparison to the aggregate performance, since the aggregate was a better indicator of demand.

Borrower Distribution of Small Business Loans							
Borrower Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	#%	#%	$(000's)	$%	$%	
$1.0 Million or Less							
2024	22	34.4	53.7	1,930	20.6	30.1	92.4
2023	23	31.9	54.5	3,354	30.7	35.2	92.5
2022	44	51.2	50.1	7,794	42.2	35.5	92.3
Over $1.0 Million							
2024	34	53.1		6,603	70.3		6.0
2023	44	61.1		7,005	64.2		6.0
2022	40	46.5		10,637	57.6		6.3
Revenue Unknown							
2024	8	12.5		857	9.1		1.5
2023	5	6.9		560	5.1		1.4
2022	2	2.3		26	0.1		1.5
Totals							
2024	**64**	**100.0**		**9,390**	**100.0**		**100.0**
2023	**72**	**100.0**		**10,919**	**100.0**		**100.0**
2022	**86**	**100.0**		**18,457**	**100.0**		**100.0**
Source: 2022-2024 FFIEC Census; 2022-2024 D&B; 2020 U.S. Census: ACS *Note: Percentages may not total 100.0 percent due to rounding.*							

In 2024, the bank's lending performance was significantly below the percent of businesses with GAR of $1.0 million or less and below the aggregate by number and dollar amount. In 2023, the bank's lending performance was significantly below the percent of businesses with a GAR of $1.0 million or less and below the aggregate by number and dollar amount. However, in 2022, the bank's lending performance was significantly below the percent of businesses in this assessment area with GAR of $1.0 million or less, slightly above the aggregate by number, and above the aggregate by dollar amount.

Loan sizes of $100,000 or less, showed a positive trend, increasing from 54.5% in 2022 to 68.2% in 2023 and 77.3% in 2024. These loans are typically considered more responsive to the credit needs of very small businesses. While overall lending to businesses with GAR of $1.0 million or less declined during the period, the bank maintained a strong focus on small-dollar loans to these borrowers.

Responsiveness to Credit Needs of Highly Economically Disadvantaged Geographies and to Low-Income Persons and Small Businesses

The bank exhibited an adequate record of serving the credit needs of the most economically disadvantaged areas of its assessment area, low-income individuals, and/or very small businesses, consistent with safe and sound banking practices. To address affordable housing, which was recognized as a key community need, the bank introduced an adjustable-rate mortgage (ARM) first-time homebuyer product in April 2024; however, no applications were received during the evaluation period.

Community Development Lending Activities

ATC is a leader in making community development loans. Community development lending totaled 19 loans for $28.2 million. This lending level represented an annualized performance over 27 months of $12.5 million. Compared to the previous evaluation, when the bank had an annualized performance of $7.2 million, this represented an increase by dollar volume of 75.4%. Additionally, the annualized number of community development loans increased by 97.9% from approximately 4 loans to 8 loans.

Examiners also considered ATC's annualized community development loans relative to its deposits and average assets and compared the bank's performance to 3 similarly-situated peer institutions operating within the bank's assessment area. ATC's performance ranked second in its use of assets for community development lending and second in community development lending relative to deposits within the assessment area.

The table below illustrates the bank's community development loan activity by year and purpose, which included a focus on economic development and community services, a primary credit need in the assessment area.

Community Development Lending										
Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	$(000's)	#	$(000's)	#	$(000's)	#	$(000's)	#	$(000's)
2022	1	480	1	62	0	0	0	0	**2**	**542**
2023	2	835	3	50	5	18,777	1	424	**11**	**20,086**
2024	1	225	3	636	1	6,311	1	424	**6**	**7,596**
Total	**4**	**1,540**	**7**	**748**	**6**	**25,088**	**2**	**848**	**19**	**28,224**
Source: Bank data, October 1, 2022 to December 31, 2024										

Below are examples of the bank's community development loans within the assessment area.

- In 2022, the bank made a $62,000 loan to a non-profit organization to fund upfront construction costs for repairing a shelter, which served homeless women and children, until reimbursed through the New York State (NYS) Homeless Housing and Assistance Program. With this loan, the bank helped to support community service needs of the assessment area.

- In 2023, the bank made a $250,000 loan to purchase a multifamily rental property to provide affordable housing for LMI individuals and families. All 6 units were below fair market rent, and the property is in a moderate-income tract. With this loan, the bank helped to support affordable housing.

- In 2024, the bank made a $600,000 loan to a non-profit health care facility that primarily serves LMI individuals to cover payroll costs for 60 days until grant funds are received from the NYS Department of Health. With this loan, the bank helped to support community service needs of the assessment area.

Innovative and/or Flexible Lending Practices

The bank made limited use of innovative and/or flexible lending practices in order to serve assessment area credit needs. In April 2024, the bank introduced a 10/1 ARM First-Time Homebuyer loan, a product designed to support affordable housing. The loan offered 3.0% down payment, which may be gifted, up to 3.0% in seller-paid closing costs, and a fixed principal and interest payment for the first 10 years on a 30-year amortization schedule. This product was available to borrowers whose income was at or below the area median income level, based on the census tract of the subject property. However, the bank did not originate any loans under this program during the evaluation period.

INVESTMENT TEST

ATC's performance under the Investment Test was adequate in this assessment area.

Investment and Grant Activity

ATC had an adequate level of qualified community development investment and grants, although rarely in a leadership position, particularly those that are not routinely provided by private investors. During the evaluation period, the bank reported 73 qualified investments and grants totaling $6.5 million, including 1 new investment for $5.0 million, 2 prior period investments with a current balance of $1.4 million, and 70 grants totaling $171,000. Overall, this represented an annualized performance over 27 months of $2.9 million. Compared to the previous evaluation, when the bank had an annualized performance of $953,000 by dollar volume increased by 204.2%. Although there was a significant increase in performance by dollar volume, it was primarily driven by the large mortgage-backed security investment made within the assessment area in 2022, which is an investment routinely provided by other private investors. Additionally, the annualized number of community development investments and grants decreased by 59.7% from approximately 81 investments and grants to approximately 32 investments and grants.

Examiners also considered ATC's annualized qualified investments and grants to deposits and to average assets. This performance was compared to three similarly-situated peer banks. ATC's performance ranked second overall among its peers, although its rank declined slightly when considering only new investments.

The table below illustrates the bank's community development investment and grant activity by year and purpose.

Qualified Investments and Grants										
Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	$(000's)	#	$(000's)	#	$(000's)	#	$(000's)	#	$(000's)
Prior Period	1	1,288	0	0	0	0	1	63	**2**	**1,351**
2022	1	5,000	0	0	0	0	0	0	**1**	**5,000**
2023	0	0	0	0	0	0	0	0	**0**	**0**
2024	0	0	0	0	0	0	0	0	**0**	**0**
Total Investments	**2**	**6,288**	**0**	**0**	**0**	**0**	**1**	**63**	**3**	**6,351**
Total Grants	**3**	**28**	**59**	**124**	**5**	**10**	**3**	**9**	**70**	**171**
Grand Total	**5**	**6,316**	**59**	**124**	**5**	**10**	**4**	**72**	**73**	**6,522**
Source: Bank data, October 1, 2022 to December 31, 2024										

Below are examples of the bank's qualified investments and grants within the assessment area.

- In 2022, ATC invested $5.0 million in a Fannie Mae mortgage-backed security secured by a multifamily property within the assessment area. The majority of the units are reserved for families who earn below 60% of the area median income, supporting affordable housing for LMI individuals.

- In 2023, the bank donated $20,000 to a non-profit organization that focuses on providing affordable housing to LMI individuals, including those experiencing homelessness, mental illness, or substance abuse disorder in the assessment area.

Responsiveness to Credit and Community Development Needs

The bank exhibited adequate responsiveness to credit and community economic development needs. While the volume of new qualified investment opportunities was somewhat limited during the evaluation period, the bank deployed resources towards key community priorities such as affordable housing and community services with its grant activity.

Community Development Initiatives

The bank rarely used innovative and/or complex investments to support community development initiatives. During the evaluation period, the only new investment was a mortgage-backed security, which was not considered to be particularly innovative or complex.

SERVICE TEST

ATC's performance under the Services Test was adequate in this assessment area.

Retail Services

Accessibility of Delivery Systems

Delivery systems were reasonably accessible to essentially all portions of the bank's assessment area. ATC operated 10 full-service branches and 23 ATMs in this assessment area, none of which are located in moderate-income census tracts. This assessment area did not contain any low-income geographies, and the number of moderate-income geographies increased from five to eight since the prior evaluation due to updated census tract designations. Although no branches or ATMs were located directly in moderate-income tracts, three branches and five ATMs are adjacent to such areas, bordering moderate-income tracts and approximately a five-minute drive.

Branch and ATM Distribution by Tract Income Level								
Tract Income Level	Census Tracts		Households		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	0	0	0	0	0	0	0	0
Moderate	8	19.5	8,469	13.7	0	0	0	0
Middle	22	53.7	38,409	62.2	7	70.0	15	65.2
Upper	10	24.4	14,853	24.1	3	30.0	8	34.8
Unknown	1	2.4	3	2.4	0	0	0	0
Total	**41**	**100.0**	**61,734**	**100.0**	**10**	**100.0**	**23**	**100.0**
Source: 2020 US Census Data; Bank data as of December 31, 2024								

The Church Street and Exit 15 Branch locations have two full-service ATMs each, and the remaining eight branches each have one full-service ATM. The bank operated two stand-alone full-service ATMs at Marion Ave and Skidmore College, and nine stand-alone cash only ATMs. While none of the branches or ATMs are located in moderate-income census tracts, three branches are adjacent to moderate-income census tracts and all are equipped with a full-service ATM. Therefore, of the 10 branches and 23 total ATMs, 3 branches (30.0%) and 5 ATMs (21.7%), including 2 standalone cash-only ATMs, are reasonably positioned to serve moderate-income census tracts, contributing to accessibility of the bank's services.

In addition to physical access to branches and ATMs, the bank offered other alternative delivery systems in its assessment area that improved accessibility for its products and services for all geographies, including moderate-income areas. These delivery systems included a 24/7 automated telephone banking service for account management and online banking and mobile banking through WebWise with bill pay and mobile check deposit features.

Changes in Branch Locations

The bank's opening and closing of branches did generally not adversely affect the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI individuals. While the bank consolidated one branch located in an upper-income census tract which was adjacent to a moderate-income census tract, it continued to maintain two other branches adjacent to the same moderate-income census tract, mitigating any potential impact on accessibility.

Reasonableness of Business Hours and Services

Services including business hours did not vary in a way that inconvenienced certain portions of the assessment area, particularly LMI geographies and/or individuals. The bank's loan and deposit products were the same throughout this assessment area. Business hours and services noted below:

- Seven out of 10 branches (70.0%) are open on Saturdays, offering both lobby and drive-through service. Church Street and Wilton branches operate on a modified schedule, opening at 11:00 AM, with evening hours extending to 6:00 PM.

- Nine out of 10 branches (90.0%) are equipped with drive-thrus, most of which are open earlier and close later than the lobby hours, increasing flexibility for routine transactions. The Main Office and South Broadway branches provide the most extended weekday access, with drive-thrus opening as early as 7:30 AM and closing as late as 6:00 PM.

- Although the Prestwich Chase location is open only on Tuesdays and Thursdays from 10:00 AM to 12:30 PM, it is situated in a retirement community.

Additionally, in addition to the First-Time Homebuyer Program noted previously, the bank maintained products that help to lower costs for consumers, including:

- BankOn Checking: Certified by the Cities for Financial Empowerment Fund (CFE Fund): This account meets national standards for safe, affordable banking access to LMI individuals. It has no minimum balance requirement, no overdraft fees, and declines transactions that would overdraw the account, helping to reduce costly penalties. The CFE Fund's BankOn Checking certification ensures the account supports financial inclusion for underbanked populations.

- Basic Banking: This checking account requires no minimum balance and offers low fees designed to accommodate consumers seeking affordable banking. It includes access to online and mobile banking and debit cards.

- Dynamic Deposit Sweep Service: An optional overdraft protection feature that automatically transfers funds from a linked savings account to a checking account when needed, helping consumers avoid overdraft fees and maintain account stability.

Community Development Services

ATC provided a relatively high level of community development services. The bank provided 91 community development services, primarily addressing community service needs. This represented an annualized performance over 27 months of approximately 40 community development services. While this represented a 19.3% decrease compared to the previous evaluation's annualized performance of approximately 50 community development services, ATC's annualized qualified services ranked better than three similarly-situated peers. Additionally, services were targeted towards affordable housing and community services, which were responsive to the community needs identified by community contacts.

The table below illustrates the bank's community development services by year and purpose.

Community Development Services					
Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2022	5	19	4	2	**30**
2023	6	18	4	2	**30**
2024	5	20	4	2	**31**
Total	**16**	**57**	**12**	**6**	**91**
Source: Bank data, October 1, 2022 to December 31, 2024					

Below are examples of the bank's community development services within the assessment area.

- From 2022 to 2024, a bank Board member served on the Board of Directors and Finance and Development Committees of a non-profit organization supporting LMI individuals and families. Services included a food pantry, free clothing, enhancing access to affordable housing, and youth programs within the bank's assessment area.

- From 2022 to 2024, the bank's Assistant Branch Manager served on the Board of Directors of a non-profit organization dedicated to providing free critical home repairs and home accessibility modifications, to low-income homeowners in Saratoga County.

- In 2023, a bank Board member served as a co-chair of a local task force on homelessness in Saratoga Springs. The task force was formed to recommend a site for a permanent, low-barrier shelter and support center for homeless and LMI individuals within the bank's assessment area.

MSA 24020 (GLENS FALLS, NY) – LIMITED SCOPE REVIEW

DESCRIPTION OF INSTITUTION'S OPERATIONS

A limited scope review of ATC's performance in this assessment area was conducted. As of December 31, 2024, ATC operated 3 (23.1%) of its 13 branches and 3 (17.6 %) of its 17 full-service ATMs in this assessment area. According to the June 30, 2024 FDIC Summary of Deposit Report, this assessment area contained $83.3 million in deposits which accounted for 6.0% of the bank's total deposits. This assessment area generated approximately 22.1% by number and 24.8% by dollar volume of the bank's combined total lending activity from January 1, 2022 to December 31, 2024.

This assessment area consisted of a portion of Warren County within MSA 24020 (Glens Falls, NY). The county is mountainous in the northeastern part of NYS within the Adirondack Mountains. The principal city in the assessment area is Glens Falls.

Key demographics for this assessment area are listed on the chart below:

Assessment Area Demographics				
Income Tract Category	**Tract Distribution**		**% Owner-Occupied Housing Units by Tract**	**% Families by Income Level**
	#	**%**		
Low	1	6.3	1.9	16.7
Moderate	1	6.3	3.7	15.4
Middle	8	50.0	49.4	18.9
Upper	6	37.5	45.0	49.0
Total	**16**	**100.0%**	**100.0%**	**100.0%**
Source: 2024 FFIEC				

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Conclusions regarding performance, which did not impact the overall rating, are as follows:

Assessment Area	Lending Test	Investment Test	Service Test
Warren County	Consistent	Below	Below

ATC's performance under the Lending Test in this assessment area was consistent with the bank's overall performance, as the lending activity, geographic distribution, and borrower distribution were adequate. The bank made 10 community development loans totaling $13.4 million in this assessment area. Please refer to the distribution tables in CRA Appendix B for details regarding the bank's loan distribution.

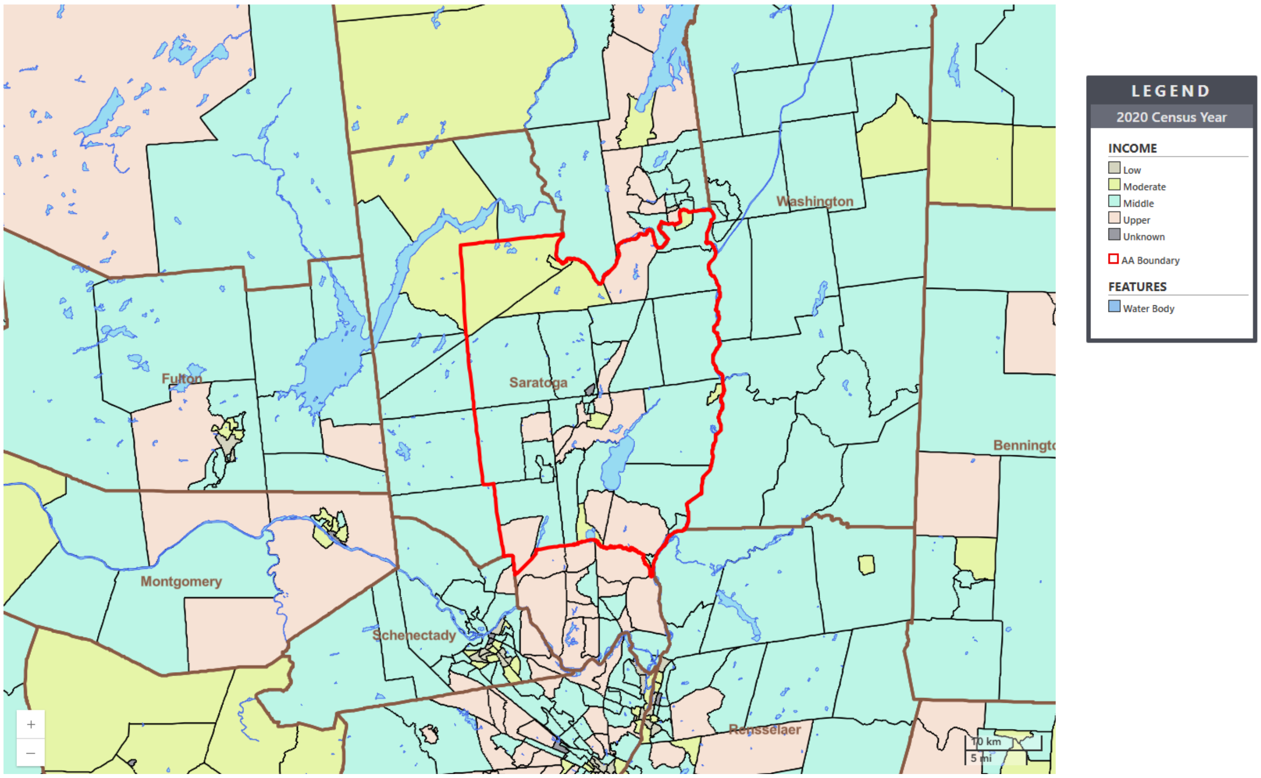
ATC's performance under the Investment Test was below the bank's overall performance. The bank did not make any new investments within this assessment area but had 1 prior period investments totaling $330,100 in this assessment area. The bank also made 12 grants and donations totaling $27,000.

ATC's performance under the Service Test was below the bank's overall performance. The bank operated one (33.3%) of its three branches and one (33.3%) of its three ATMs in the assessment area in a moderate-income tract. The bank also had one branch and one full service ATM located adjacent to a low-income census tract. The branch located in a moderate-income census tract was closed on Saturdays and offered limited drive-thru hours compared to the other two branches in the assessment area. The bank did not have any qualified community development services within this assessment area.

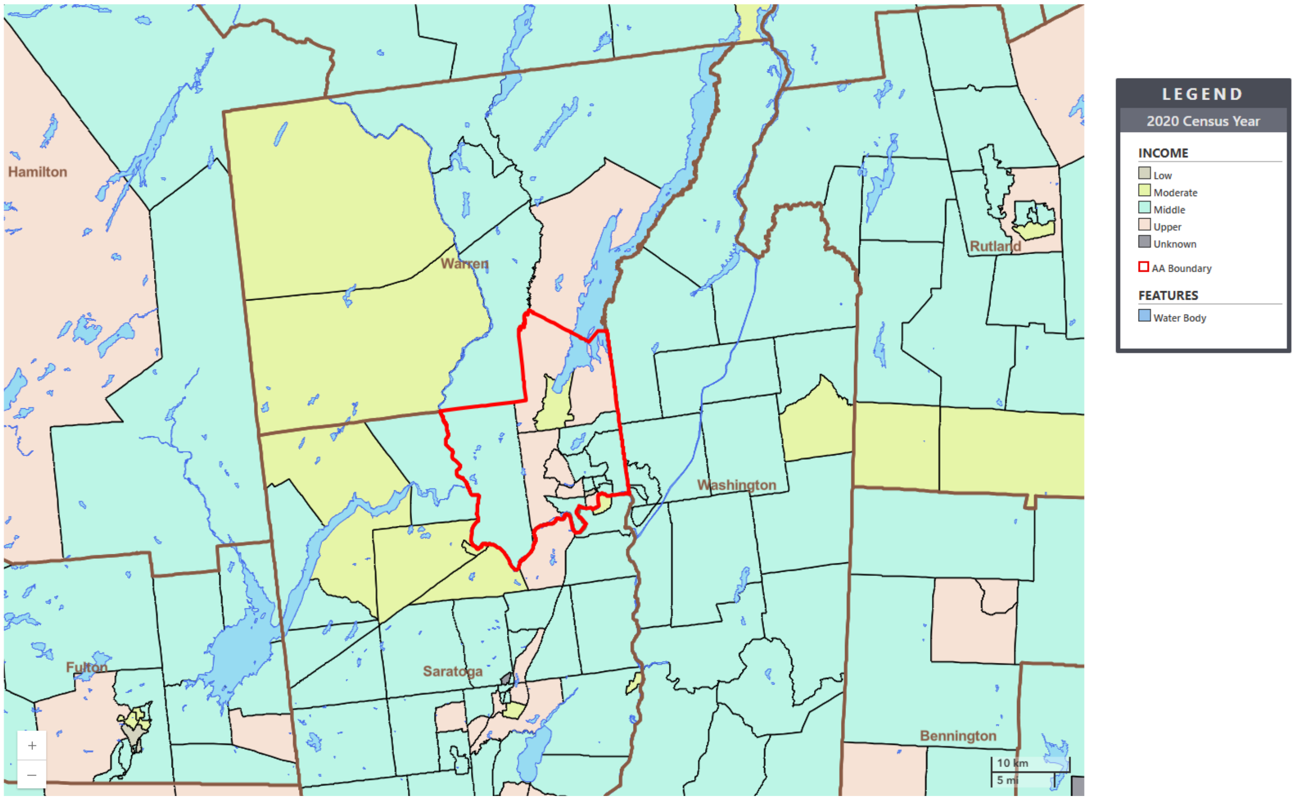
APPENDICES

APPENDIX A –ASSESSMENT AREA MAPS

MSA 10580 (ALBANY-SCHENECTADY-TROY, NY)



MSA 24020 (GLENS FALLS, NY)



APPENDIX B – LOAN DISTRIBUTION REPORTS

GEOGRAPHIC DISTRIBUTION

MSA 24020 (GLENS FALLS, NY)

Home Mortgage Lending

Geographic Distribution of Home Mortgage							
Geographic Income Level	Bank And Aggregate Loans						Owner-Occupied Units %
	Bank		Agg	Bank		Agg	
	#	#%	#%	$(000's)	$%	$%	
Low							
2024	3	11.5	2.7	674	8.9	3.5	1.9
2023	1	3.6	2.7	178	2.0	1.7	1.9
2022	2	5.9	2.0	3,505	5.6	1.5	1.9
Moderate							
2024	1	3.8	4.0	204	2.7	5.5	3.7
2023	3	10.7	4.0	1,593	17.7	5.8	3.7
2022	0	0	3.3	0	0	3.6	3.7
Middle							
2024	10	38.5	51.3	2,663	35.3	44.4	49.4
2023	14	50.0	50.5	3,452	38.5	44.4	49.4
2022	19	55.9	48.5	34,471	54.9	60.0	49.4
Upper							
2024	12	46.2	41.9	4,013	53.1	46.5	45.0
2023	10	35.7	42.8	3,754	41.8	48.1	45.0
2022	13	38.2	46.2	24,858	39.6	35.0	45.0
Unknown							
2024	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0
Totals							
2024	**26**	**100.0**	**100.0**	**7,554**	**100.0**	**100.0**	**100.0**
2023	**28**	**100.0**	**100.0**	**8,977**	**100.0**	**100.0**	**100.0**
2022	**34**	**100.0**	**100.0**	**62,834**	**100.0**	**100.0**	**100.0**
Source: 2022-2024 FFIEC; 2020 U.S. Census *Note: Percentages may not total 100.0 percent due to rounding.*							

Small Business Lending

Geographic Distribution of Small Business Loans							
Geographic Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	#%	#%	$(000's)	$%	$%	
Low							
2024	5	17.2	6.5	930	15.2	11.0	7.2
2023	1	2.3	5.5	30	0.5	7.8	7.0
2022	3	7.0	5.4	110	2.1	3.8	7.1
Moderate							
2024	2	6.9	9.9	400	6.5	10.2	8.2
2023	5	11.6	9.5	803	12.5	12.3	8.9
2022	5	11.6	7.7	530	9.9	8.6	8.9
Middle							
2024	16	55.2	50.6	3,533	57.6	56.9	57.9
2023	28	65.1	53.8	4,149	64.8	58.3	57.2
2022	20	46.5	55.7	3,012	56.3	59.3	57.3
Upper							
2024	6	20.7	33.0	1,275	20.8	21.8	26.7
2023	9	20.9	31.2	1,418	22.2	21.5	26.8
2022	15	34.9	31.2	1,702	31.8	28.2	26.7
Unknown							
2024	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0
Totals							
2024	**29**	**100.0**	**100.0**	**6,138**	**100.0**	**100.0**	**100.0**
2023	**43**	**100.0**	**100.0**	**6,400**	**100.0**	**100.0**	**100.0**
2022	**43**	**100.0**	**100.0**	**5,354**	**100.0**	**100.0**	**100.0**

Source: 2022-2024 FFIEC; 2022-2024 D&B; 2020 U.S. Census: ACS
Note: Percentages may not total 100.0 percent due to rounding.

BORROWER PROFILE

MSA 24020 (GLENS FALLS, NY)

Home Mortgage Lending

Borrower Distribution of Home Mortgage							
Borrower Income Level	**Bank And Aggregate Loans**						**Families by Family Income %**
	Bank		**Agg**	**Bank**		**Agg**	
	#	**#%**	**#%**	**$(000's)**	**$%**	**$%**	
Low							
2024	1	4.0	5.4	15	0.2	2.5	16.7
2023	2	7.4	5.8	73	1.0	2.7	16.7
2022	1	4.2	7.4	144	2.5	3.9	16.7
Moderate							
2024	2	8.0	16.4	399	5.5	10.2	15.4
2023	0	0	15.0	0	0	10.4	15.4
2022	2	8.3	18.2	336	5.9	13.3	15.4
Middle							
2024	3	12.0	24.1	202	2.8	19.7	18.9
2023	5	18.5	25.8	1,074	14.2	20.3	18.9
2022	3	12.5	26.1	593	10.4	22.5	18.9
Upper							
2024	13	52.0	38.0	5,813	80.3	53.8	49.0
2023	13	48.1	41.5	4,934	65.3	54.5	49.0
2022	7	29.2	38.5	1,780	31.3	49.5	49.0
Unknown							
2024	6	24.0	16.1	813	11.2	13.8	0
2023	7	25.9	11.8	1,471	19.5	12.1	0
2022	11	45.8	9.7	2,842	49.9	10.8	0
Totals							
2024	**25**	**100.0**	**100.0**	**7,242**	**100.0**	**100.0**	**100.0**
2023	**27**	**100.0**	**100.0**	**7,552**	**100.0**	**100.0**	**100.0**
2022	**24**	**100.0**	**100.0**	**5,695**	**100.0**	**100.0**	**100.0**
Source: 2022-2024 FFIEC; 2020 U.S. Census; Multifamily loans are not included in the borrower distribution analysis *Note: Percentages may not total 100.0 percent due to rounding.*							

Small Business Lending

Borrower Distribution of Small Business Loans							
Borrower Income Level	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	#%	#%	$(000's)	$%	$%	
$1.0 Million or Less							
2024	15	51.7	51.9	2,221	36.2	30.7	91.5
2023	24	55.8	54.3	3,521	55.0	35.3	91.3
2022	20	46.5	48.5	2,741	51.2	34.9	91.2
Over $1.0 Million							
2024	14	48.3		3,917	63.8		7.4
2023	19	44.2		2,879	45.0		7.7
2022	22	51.2		2,138	39.9		7.7
Revenue Unknown							
2024	0	0		0	0		1.1
2023	0	0		0	0		1.0
2022	1	2.3		475	8.9		1.0
Totals							
2024	**29**	**100.0**		**6,138**	**100.0**		**100.0**
2023	**43**	**100.0**		**6,400**	**100.0**		**100.0**
2022	**43**	**100.0**		**5,354**	**100.0**		**100.0**
Source: 2022-2024 FFIEC Census; 2022-2024 D&B; 2020 U.S. Census: ACS							

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

Community development: All Agencies have adopted the following language. 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 GAR of $1.0 million or less; or activities that revitalize or stabilize LMI 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- or moderate-income individuals.

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

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

Full scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A census tract 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 the income of applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

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

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100.0% tabulations, the count of households always equals the count of occupied housing units.

Housing affordability ratio: The housing affordability ratio is calculated by dividing the median household income by the median housing value. A lower ratio reflects less affordable housing.

Limited scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-income: Individual income that is less than 50.0% of the area median income, or a median family income that is less than 50.0%, in the case of a geography.

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

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

Middle-income: Individual income that is at least 80.0% and less than 120.0% of the area median income, or a median family income that is at least 80.0% and less than 120.0%, in the case of a geography.

Moderate-income: Individual income that is at least 50.0% and less than 80.0% of the area median income, or a median family income that is at least 50.0% and less than 80.0%, in the case of a geography.

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

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

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

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

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

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Federal Financial Institutions Examination Council's (FFIEC) Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of $1.0 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.

Small loan(s) to farm(s): A loan included in 'loans to small farms' as defined in the instructions for the Call Report. These loans have original amounts of $500,000.0 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

Upper-income: Individual income that is more than 120.0% of the area median income, or a median family income that is more than 120.0%, in the case of a geography.

PUBLIC SUMMARY

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION OF ADIRONDACK TRUST COMPANY

AS OF JUNE 30, 2022

New York State Department of Financial Services
Consumer Protection and Financial Enforcement Division
One State Street, New York NY 10004

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 Department of Financial Services concerning the safety and soundness of this financial institution.**

TABLE OF CONTENTS

Sections

I - GENERAL INFORMATION

This document is an evaluation (the "Evaluation") of the Community Reinvestment Act ("CRA") performance of Adirondack Trust Company ("ATC" or the "Bank") prepared by the New York State Department of Financial Services ("DFS" or the "Department"). This Evaluation represents the Department's current assessment and rating of the Bank's CRA performance based on an evaluation conducted as of June 30, 2022.

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

Part 76 of the General Regulations of the Superintendent ("GRS") implements Section 28-b and further requires that the Department assess the CRA performance records of regulated financial institutions. Part 76 establishes the framework and criteria by which the Department will evaluate institutions' performance. Section 76.5 further provides that the 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 in meeting community credit needs; and

(4) Substantial noncompliance in meeting community credit needs.

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

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

II - OVERVIEW OF INSTITUTION'S PERFORMANCE

The Department evaluated ATC according to the intermediate small banking institutions performance criteria pursuant to Sections 76.7 and 76.12 of the GRS. The evaluation period included calendar years 2019, 2020 and 2021 for the lending test and the period from January 1, 2019, to June 30, 2022, for the community development test. ATC is rated "**2**" indicating **a "Satisfactory**" record of helping to meet community credit needs.

The rating is based on the following factors:

A. Lending Test: Satisfactory

1. Loan-to-Deposit Ratio and Other Lending-Related Activities: Satisfactory

ATC's average loan-to-deposit ("LTD") ratio was satisfactory considering its size, business strategy, financial condition, and peer group activity.

ATC's average LTD ratio of 65.2% was well below its peer group average of 81.7%, due in part to the Bank's strategy of selling a portion of its HMDA-reportable loans in the secondary market as well as holding municipal deposits, which are not available for lending. However, the Bank's commitment to originating mortgage loans is shown by ATC's top 10 ranking among more than 180 mortgage lenders in the peer mortgage market share report for each year of the evaluation period, for mortgage loans originated in its assessment area.

2. Assessment Area Concentration: Satisfactory

During the evaluation period, ATC originated 81.9% by number and 76.6% by dollar value of its HMDA-reportable and small business loans within the assessment area, demonstrating a satisfactory concentration of lending.

3. Distribution by Borrower Characteristics: Satisfactory

ATC's lending demonstrated a satisfactory distribution of loans among individuals of different income levels and businesses of different revenue sizes.

In 2019, ATC's rates of lending to small businesses with gross annual revenue of $1 million or less were well above the aggregate's rates, while ATC's average rates for one-to-four family HMDA-reportable lending to low- and moderate-income borrowers for the evaluation period were well below the aggregate's rates.

ATC's small business lending was evaluated based on its 2019 small business lending, as the Bank's small business lending in 2020 and 2021 was negatively skewed by a large number of small business loans originated with revenue unknown, primarily Paycheck Protection program ("PPP") loans that did not require collecting and reporting of revenue.

4. Geographic Distribution of Loans: Satisfactory

ATC's origination of loans in census tracts of varying income levels demonstrated a satisfactory distribution of lending. The Bank's assessment area contains no low-income census tracts.

ATC's average HMDA-reportable lending rates for the evaluation period trailed the aggregate's rates by number but was comparable by dollar value. ATC's average small business lending rates of 7% by number and 6.5% by dollar value trailed aggregate rates of 8.2% and 9.6%, respectively.

5. Action Taken in Response to Written Complaints with Respect to CRA: N/A

Neither DFS nor ATC received any written complaints during the evaluation period regarding ATC's CRA performance.

B. Community Development Test: Outstanding

ATC's community development performance demonstrated an outstanding responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and services, considering the Bank's capacity and the need for and availability of opportunities for community development in its assessment area.

1. Community Development Lending: Outstanding

During the evaluation period, ATC originated $41.1 million in new community development loans and had $16.4 million outstanding from prior evaluation periods. This demonstrated an outstanding level of community development lending over the course of the evaluation period.

2. Qualified Investments: Satisfactory

During the evaluation period, ATC made $3.6 million in qualified investments and had $190,000 outstanding from prior evaluation periods. In addition, ATC made $1.8 million in qualified grants. This demonstrated a satisfactory level of qualified investments over the course of the evaluation period.

3. Community Development Services: Outstanding

During the evaluation period, Bank officers and employees performed 166 qualified community development services demonstrating an outstanding level of community development services.

4. Responsiveness to Community Development Needs:

ATC demonstrated a satisfactory level of responsiveness to credit and community development needs, which included originating PPP loans to assist small businesses affected by the COVID-19 pandemic.

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

III - PERFORMANCE CONTEXT

A. Institution Profile

ATC is New York State chartered commercial bank located in Saratoga Springs, New York. The Bank has three subsidiaries: Adirondack Trust Company Financial Services, Inc., an insurance agency which offers insurance products to consumers and businesses; Adirondack R.E.I.T. Inc., which holds investments in residential and commercial mortgages in repayment; and 2961 Route 9, LLC, which holds other real estate owned.

ATC operates 14 full-service brick-and-mortar banking offices, of which 11 are located in Saratoga County, and three are located in Warren County. Supplementing the banking offices is an automated teller machine ("ATM") network consisting of 25 ATMs one each at the 14 banking offices and 11 off-site stand-alone ATMs located throughout the Bank's assessment area. One of the off-site ATMs is private and not accessible to the public and only four of the off-site ATMs are deposit-taking. None of the Bank's full-service banking offices and off-site ATMS are located in LMI census tracts.

ATC offers traditional banking products which include personal and business checking and savings accounts, and term loans, line of credit and small business loans, as well as construction and development financing. The Bank services offered include mobile and online banking.

In its Consolidated Report of Condition (the Call Report) as of December 31, 2021, filed with the Federal Deposit Insurance Corporation ("FDIC"), ATC reported total assets of $1.7 billion, of which $803.2 million were net loans and lease financing receivables. It also reported total deposits of $1.5 billion, resulting in a LTD ratio of 53.1%. According to the latest available comparative deposit data as of June 30, 2022, ATC obtained a market share of 15.9%, or $1.5 billion in a market of $9.5 billion, ranking it 2nd among 18 deposit-taking institutions in the Saratoga and Warren counties.

The following is a summary of the Bank's loan portfolio, based on Schedule RC-C of the Bank's December 31, 2019, 2020 and 2021's Call Reports:

TOTAL GROSS LOANS OUTSTANDING						
	2019		2020		2021	
Loan Type	$000's	%	$000's	%	$000's	%
1-4 Family Residential Mortgage Loans	224,066	28.9	218,879	26.2	222,395	26.9
Commercial & Industrial Loans	100,502	13.0	150,572	18.1	127,122	15.4
Commercial Mortgage Loans	313,145	40.4	338,436	40.6	362,620	43.9
Multifamily Mortgages	55,940	7.2	54,412	6.5	50,419	6.1
Consumer Loans	35,294	4.6	17,763	2.1	10,274	1.2
Agricultural Loans	0	0.0	0	0.0	0	0.0
Construction Loans	37,366	4.8	46,031	5.5	40,279	4.9
Obligations of States & Municipalities	6,419	0.8	5,547	0.7	4,640	0.6
Other Loans	2,459	0.3	2,204	0.3	8,191	1.0
Lease financing	0	0.0	0	0.0	0	0.0
Total Gross Loans	775,191		833,844		825,940	

As illustrated in the above table, ATC is primarily a commercial lender, with a total of 59.3% of its loan portfolio in commercial mortgage loans and commercial & industrial loans. Multifamily loans and 1-4 family residential real estate loans are 6.1% and 26.9%, respectively. ATC's trend of reducing consumer loans including automobile loans from the prior evaluation period continued as consumer loans declined from $35.3 million in 2019 to $10.3 million in 2021 primarily driven by a decline in auto loans, which decreased by 86.3% from $27 million in 2019 to only $3.7 million in 2021.

Examiners did not find evidence of financial or legal impediments that had an adverse impact on ATC's ability to meet the credit needs of its community.

B. Assessment Area

The Bank's assessment area is comprised of parts of Saratoga and Warren counties and has remained unchanged from the last evaluation period.

There are 43 census tracts in the Bank's assessment area, with zero low-income tracts, seven moderate-income tracts, 29 middle-income tracts, six upper-income tracts, and one tract with no income indicated.

Assessment Area Census Tracts by Income Level							
County	N/A	Low	Mod	Middle	Upper	Total	LMI %
Saratoga*	1	0	5	20	4	30	16.7
Warren*	0	0	2	9	2	13	15.4
Total	1	0	7	29	6	43	16.3

** Partial county*

Demographic & Economic Data

The assessment area had a population of 190,650 during the evaluation period. Approximately 15.7% of the population were over the age of 65 and 18.4% were under the age of 16.

Of the 49,135 families in the assessment area, 17.7% were low-income, 17.7% were moderate-income, 22.4% were middle-income and 42.2% were upper-income. There were 76,771 households in the assessment area, of which 9% had income below the poverty level and 1.7% were on public assistance.

The weighted average median family income in the assessment area was $81,718.

There were 87,319 housing units within the assessment area, of which 81.5% were one-to-four family units, and 10.7% were multifamily units. A majority (60.7%) of the housing units were owner-occupied, while 27.2% were rental units.

Of the 53,030 owner-occupied housing units, 8.3% were in LMI census tracts while 91.7% were in middle- and upper-income census tracts. The median age of the housing stock was 49 years, and the median home value in the assessment area was $229,204.

There were 18,664 non-farm businesses in the assessment area. Of these, 87.2% were businesses with reported revenues of less than or equal to $1 million, 97.5% reported revenues of more than $1 million and 9.2% did not report their revenues. Of all the businesses in the assessment area, 97.0% were businesses with less than fifty employees while 91.4% operated from a single location. The largest industries in the area were services (38.1%), retail trade (12.9%) and finance, insurance and real estate (8.73%); 20.1% of businesses in the assessment area were not classified.

According to the New York State Department of Labor, the average unemployment rates for New York State, Saratoga County and Warren County increased significantly from 2019 to 2020. This increase can be attributed to the onset of the COVID pandemic at the beginning of 2020. Saratoga County had the lowest average annual unemployment rates for each year of the evaluation period. Warren County had lower average annual unemployment rates than New York State for 2020 and 2021, but not for 2019.

Assessment Area Unemployment Rate			
	Statewide	Saratoga	Warren
2019	3.8	3.2	4.4
2020	9.9	6.4	8.1
2021	6.9	3.8	4.9
Average of years above	6.9	4.5	5.8

D. Community Information

DFS examiners conducted community contact interviews with the chief executive officers of two nonprofit organizations headquartered and operating in the Bank's assessment area.

The first interviewee mentioned ATC as one of the leading banks making grants to serve the needs of the community and also actively making PPP loans supporting small businesses. While the pandemic had a significant impact, Saratoga County has rebounded quicker than some other counties. Still, the county faces historic labor shortage and a significant rise in housing prices. The interviewee indicated that solutions include building more affordable and workforce housing plus better public transportation to take people from where they live to where they work.

The second interviewee stated that a low birthrate, a high median age and the opioid crisis have significantly impacted the population and the available workforce in Warren County. While tourism was affected, the rest of the economy primarily based in services and manufacturing was significantly impacted by the pandemic. Some businesses did not survive, but this was primarily due to a lack of available workers, not financing. Median house prices keep going up resulting in a lack of affordable housing, further complicated by the fact that 92% of the county is located within Adirondack Park and any development is reviewed and regulated by park authorities for impact on water sources, federal and state environmentally protected areas. The interviewee also mentioned ATC as one of the top donors among banks that made donations in the area.

IV - PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

The Department evaluated ATC under the intermediate small banking institution performance criteria in accordance with Sections 76.7 and 76.12 of the GRS, which consist of the lending test and the community development test.

The lending test includes:

1. Loan-to-deposit ratio and other lending-related activities;
2. Assessment area concentration;
3. Distribution of loans by borrower characteristics;
4. Geographic distribution of loans; and
5. Action taken in response to written complaints regarding CRA.

The community development test includes:

1. Community development lending;
2. Community development investments;
3. Community development services; and
4. Responsiveness to community development needs.

DFS also considered the following factors in assessing the bank's record of performance:

1. The extent of participation by the board of directors or board of trustees in formulating CRA policies and reviewing CRA performance;
2. Evidence of any practices intended to discourage credit applications;
3. Evidence of prohibited discriminatory or other illegal credit practices;
4. Record of opening and closing offices and providing services at offices; and
5. Process factors, such as activities to ascertain credit needs and the extent of marketing and special credit related programs.

DFS derived statistics employed in this Evaluation from various sources. ATC submitted bank-specific information both as part of the Evaluation process and in its call report submitted to the FDIC. DFS obtained aggregate lending data from the Federal Financial Institutions Examination Council ("FFIEC") and deposit data from the FDIC. DFS obtained loan to deposit ("LTD") ratios from information shown in the Bank's Uniform Bank Performance Report, compiled by the FFIEC from call report data.

DFS derived the demographic data referred to in this report from the 2010 U.S. Census and the FFIEC. DFS based business data on Dun & Bradstreet reports, which Dun & Bradstreet updates annually. DFS obtained unemployment data from the New York State Department of Labor. Some non-specific bank data are only available on a county-wide basis, and DFS used this information even where the institution's assessment area includes partial counties.

The evaluation period included calendar years 2019, 2020, and 2021 for lending activities and the period from January 1, 2019 to June 30, 2022, for community development activities.

Examiners considered ATC's HMDA-reportable and small business loans in evaluating factors (2), (3) and (4) of the lending test noted above.

HMDA-reportable and small business loan data evaluated in this evaluation represented actual originations. ATC did not make any small farm loans, DFS based all analyses on small business lending only.

ATC is not required to report small business loan data, so ATC's small business lending is not included in the aggregate data. The aggregate data are shown only for comparative purposes.

In its prior Community Reinvestment Act Performance Evaluation as of December 31, 2018, DFS assigned ATC a rating of "2" or a "Satisfactory" compliance with regulatory standards.

CRA Rating: Satisfactory

A. Lending Test: Satisfactory

ATC small business, and HMDA-reportable activities were satisfactory in light of ATC's size, business strategy, and financial condition, as well as aggregate and peer group activity and the demographic characteristics and credit needs of the assessment area.

1. Loan-to-Deposit Ratio and other Lending-Related Activities: Satisfactory

ATC's average LTD ratio was satisfactory considering its size, business strategy, financial condition and peer group activity.

ATC's average LTD ratio of 65.2% was well below its peer group average of 81.7%. The Bank's lower LTD is in part due to ATC's strategy of selling a portion of its HMDA-reportable loans in the secondary market as well as holding municipal deposits, which are not available for lending. Nevertheless, the Bank ranked in the top 10 of over 180 mortgage lenders in the peer mortgage market share report for each year of the evaluation period for mortgages originated in ATC's assessment area, illustrating the Bank's commitment of originating mortgage loans in its assessment area.

The table below shows ATC'S LTD ratios in comparison with the peer group's ratios for the 12 quarters of this evaluation.

Loan-to-Deposit Ratios													
	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	Avg.
Bank	73.4	72.0	71.9	70.8	71.4	70.0	67.1	61.2	61.2	56.1	54.9	53.1	65.2
Peer	85.9	87.0	86.7	86.6	86.1	85.4	84.6	80.4	77.5	75.2	72.7	72.1	81.7

2. Assessment Area Concentration: Satisfactory

During the evaluation period, ATC originated 81.9% by number and 76.6% by dollar value of its total HMDA-reportable and small business loans within the assessment area, demonstrating a satisfactory concentration of lending.

a. HMDA-Reportable Loans:

During the evaluation period, ATC originated 84.9% by number and 82% by dollar value of its HMDA-reportable loans within the assessment area. This majority of lending inside of the Bank's assessment area reflects a satisfactory concentration of lending.

b. Small Business Loans:

During the evaluation period, ATC originated 80.7% by number and 71% by dollar value of its small business loans within the assessment area. This majority of lending inside of the Bank's assessment area reflects a satisfactory concentration of lending.

The following table shows the percentages of ATC's HMDA-reportable, and small business loans originated inside and outside of the assessment area.

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										
2019	243	90.7%	25	9.3%	268	63,389	89.3%	7,591	10.7%	70,980
2020	238	86.5%	37	13.5%	275	63,077	85.9%	10,320	14.1%	73,397
2021	259	78.7%	70	21.3%	329	76,026	74.1%	26,525	25.9%	102,551
Subtotal	740	84.9%	132	15.1%	872	202,492	82.0%	44,436	18.0%	246,928
Small Business										
2019	183	75.6%	59	24.4%	242	22,284	60.9%	14,320	39.1%	36,604
2020	893	80.5%	216	19.5%	1,109	80,425	72.8%	29,994	27.2%	110,419
2021	653	82.4%	139	17.6%	792	67,500	72.7%	25,327	27.3%	92,827
Subtotal	1,729	80.7%	414	19.3%	2,143	170,209	71.0%	69,641	29.0%	239,850
Grand Total	2,469	81.9%	546	18.1%	3,015	372,701	76.6%	114,077	23.4%	486,778

3. Distribution by Borrower Characteristics: Satisfactory

ATC's lending demonstrated a satisfactory distribution of loans among individuals of different income levels and businesses of different revenue sizes.

a. One-to-four Family HMDA-Reportable Loans:

ATC's one-to-four family HMDA-reportable lending demonstrated a less than satisfactory distribution of loans among borrowers of different income levels.

While the ATC's average rates of lending to LMI borrowers of 21.5% by number and 14.4% by dollar value of loans was an improvement over the prior evaluation period's average rates of lending of 15.7% and 13.1% respectively, the Bank's rates were still well below the aggregate's average rates of 27.1% by number and 19% by dollar value for the current evaluation period.

The following table provides a summary of the distribution of ATC's one-to-four family loans by borrower income.

Distribution of One-to-Four Family Loans by Borrower Income									
2019									
Borrower	**Bank**				**Aggregate**				**Fam.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	16	7.0%	1,735	3.5%	337	6.4%	35,555	3.2%	17.7%
Moderate	33	14.5%	3,555	7.2%	1,063	20.0%	162,225	14.7%	17.7%
LMI	49	21.5%	5,290	10.7%	1,400	26.4%	197,780	17.9%	35.4%
Middle	51	22.4%	8,095	16.3%	1,409	26.5%	253,285	23.0%	22.4%
Upper	111	48.7%	30,348	61.3%	2,329	43.9%	608,875	55.2%	42.2%
Unknown	17	7.5%	5,810	11.7%	169	3.2%	42,105	3.8%	
Total	**228**		**49,543**		**5,307**		**1,102,045**		
2020									
Borrower	**Bank**				**Aggregate**				**Fam.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	17	7.4%	3,434	5.7%	515	7.0%	68,095	4.0%	17.7%
Moderate	29	12.6%	5,719	9.4%	1,526	20.7%	271,880	15.9%	17.7%
LMI	46	20.0%	9,153	15.1%	2,041	27.7%	339,975	19.9%	35.4%
Middle	41	17.8%	9,422	15.5%	1,930	26.2%	407,650	23.9%	23.4%
Upper	117	50.9%	36,998	61.0%	3,053	41.4%	872,425	51.1%	42.2%
Unknown	26	11.3%	5,075	8.4%	350	4.7%	88,680	5.2%	
Total	**230**		**60,648**		**7,374**		**1,708,730**		
2021									
Borrower	**Bank**				**Aggregate**				**Fam.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	19	7.6%	3,201	4.4%	533	6.6%	71,435	3.7%	17.7%
Moderate	38	15.2%	8,621	11.9%	1,639	20.4%	291,695	15.1%	17.7%
LMI	57	22.8%	11,822	16.3%	2,172	27.1%	363,130	18.8%	35.4%
Middle	47	18.8%	10,337	14.2%	2,066	25.7%	436,230	22.6%	22.4%
Upper	118	47.2%	41,543	57.2%	3,406	42.4%	1,029,280	53.4%	42.2%
Unknown	28	11.2%	8,894	12.3%	381	4.7%	98,525	5.1%	
Total	**250**		**72,596**		**8,025**		**1,927,165**		
GRAND TOTAL									
Borrower	**Bank**				**Aggregate**				**Fam.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	52	7.3%	8,370	4.6%	1,385	6.7%	175,085	3.7%	
Moderate	100	14.1%	17,895	9.8%	4,228	20.4%	725,800	15.3%	
LMI	152	21.5%	26,265	14.4%	5,613	27.1%	900,885	19.0%	
Middle	139	19.6%	27,854	15.2%	5,405	26.1%	1,097,165	23.2%	
Upper	346	48.9%	108,889	59.6%	8,788	42.4%	2,510,580	53.0%	
Unknown	71	10.0%	19,779	10.8%	900	4.3%	229,310	4.8%	
Total	**708**		**182,787**		**20,706**		**4,737,940**		

b. Small Business Loans:

ATC's small business lending demonstrated an outstanding distribution of loans among businesses of different revenue sizes.

ATC's small business lending was evaluated based on its 2019 lending, as the Bank's small business lending in 2020 and 2021 was negatively skewed by a large number of small business loans originated with revenue unknown of 596 (66.7%) and 403 (61.7%), respectively, of which a large majority were PPP loans that did not require collecting and reporting of revenue.

In 2019, ATC rates of lending to small businesses with gross annual revenue of $1 million or less were 53.6% by number and 59.9% by dollar value of loans well above the aggregate's rates of 45.6% and 31.4%, respectively.

Both the Bank's and the aggregate's rates of lending to small businesses with gross annual revenue of $1 million or less in 2019 trailed the business demographics of these types of small businesses within the assessment area.

The following table provides a summary of the distribution of ATC's small business loans by revenue size of the business.

Distribution of Small Business Lending by Revenue Size of Business

2019									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	98	53.6%	13,344	59.9%	1,768	45.6%	43,398	31.4%	84.3%
Rev. > $1MM	61	33.3%	5,714	25.6%					5.0%
Rev. Unknown	24	13.1%	3,226	14.5%					10.7%
Total	**183**		**22,284**		**3,877**		**138,002**		
2020									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	136	15.2%	10,786	13.4%	1,455	32.5%	49,173	21.1%	86.5%
Rev. > $1MM	161	18.0%	29,643	36.9%					4.2%
Rev. Unknown	596	66.7%	39,996	49.7%					9.4%
Total	**893**		**80,425**		**4,472**		**232,785**		
2021									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	116	17.8%	9,990	14.8%	2,080	43.7%	50,047	27.8%	87.2%
Rev. > $1MM	134	20.5%	33,137	49.1%					3.6%
Rev. Unknown	403	61.7%	24,373	36.1%					9.2%
Total	**653**		**67,500**		**4,765**		**180,237**		

4. Geographic Distribution of Loans: Satisfactory

ATC's origination of loans in census tracts of varying income levels demonstrated a satisfactory distribution of lending. The Bank's assessment area contains no low-income census tracts.

ATC's average rates of lending in moderate-income tracts for HMDA-reportable loans for the current evaluation period exceeded the prior evaluation period rates but trailed the aggregate's rate by number of loans, while its rate was comparable to the aggregate's rate by dollar value of loans. ATC's small business lending rates for loans to small businesses with revenue of $1 million or less trailed the aggregate rates.

a. HMDA-Reportable Loans:

The distribution of ATC's HMDA-reportable lending among census tracts of different income levels was satisfactory.

ATC's average rates of lending in moderate-income census tracts during the current evaluation period were 4.7% by number and 4% by dollar value, which exceeded the prior period's rates of 4.5% and 2.4% respectively; while trailing the aggregate's rates for the current evaluation period of 6.5% and 4.8%, respectively. The demographic percentage for owner-occupied housing units during the evaluation period was 8.3%.

The following table provides a summary of the distribution of ATC's HMDA-reportable loans by the income level of the geography where the property was located.

Distribution of HMDA-Reportable Lending by Geographic Income of the Census Tract									
2019									
Geographic	**Bank**				**Aggregate**				**OO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Moderate	15	6.2%	3,639	5.7%	376	7.0%	4,195	3.7%	8.3%
LMI	15	6.2%	3,639	5.7%	376	7.0%	4,195	3.7%	8.3%
Middle	161	66.3%	40,767	64.3%	4,074	76.1%	86,550	75.4%	75.8%
Upper	67	27.6%	18,983	29.9%	901	16.8%	23,975	20.9%	15.9%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Total	**243**		**63,389**		**5,351**		**114,720**		
2020									
Geographic	**Bank**				**Aggregate**				**OO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Moderate	8	3.4%	1,059	1.7%	398	5.4%	73,700	4.0%	8.3%
LMI	8	3.4%	1,059	1.7%	398	5.4%	73,700	4.0%	8.3%
Middle	177	74.4%	44,670	70.8%	5,686	76.7%	1,398,200	75.4%	75.8%
Upper	53	22.3%	17,348	27.5%	1,334	18.0%	382,420	20.6%	15.9%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Total	**238**		**63,077**		**7,418**		**1,854,320**		
2021									
Geographic	**Bank**				**Aggregate**				**OO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Moderate	12	4.6%	3,428	4.5%	584	7.2%	113,780	5.6%	8.3%
LMI	12	4.6%	3,428	4.5%	584	7.2%	113,780	5.6%	8.3%
Middle	179	69.1%	50,197	66.0%	6,102	75.5%	1,506,380	74.1%	75.8%
Upper	68	26.3%	22,401	29.5%	1,394	17.3%	413,350	20.3%	15.9%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Total	**259**		**76,026**		**8,080**		**2,033,510**		
GRAND TOTAL									
Geographic	**Bank**				**Aggregate**				**OO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	0	0.0%	-	0.0%	
Moderate	35	4.7%	8,126	4.0%	1,358	6.5%	191,675	4.8%	
LMI	35	4.7%	8,126	4.0%	1,358	6.5%	191,675	4.8%	
Middle	517	69.9%	135,634	67.0%	15,862	76.1%	2,991,130	74.7%	
Upper	188	25.4%	58,732	29.0%	3,629	17.4%	819,745	20.5%	
Unknown	-	0.0%	-	0.0%	-	0.0%	-	0.0%	
Total	**740**		**202,492**		**20,849**		**4,002,550**		

b. Small Business Loans:

The distribution of ATC's small business loans among census tracts of varying income levels was satisfactory.

ATC's rates of lending were 7% by number and 6.5% by dollar value of loans, which trailed the aggregate's rates of 8.2% and 9.6%, respectively. The Bank's and the aggregate's rates were both below the business demographics for moderate-income census tracts.
The following table provides a summary of the distribution of ATC's small business loans by the income level of the geography where the businesses were located.

Distribution of Small Business Lending by Geographic Income of the Census Tract									
2019									
Geographic	**Bank**				**Aggregate**				**Bus.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Moderate	24	13.1%	1,548	6.9%	288	7.4%	10,155	7.4%	9.3%
LMI	24	13.1%	1,548	6.9%	288	7.4%	10,155	7.4%	9.3%
Middle	105	57.4%	14,775	66.3%	2,771	71.5%	96,163	69.7%	69.8%
Upper	54	29.5%	5,961	26.8%	818	21.1%	31,684	23.0%	20.9%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Total	**183**		**22,284**		**3,877**		**138,002**		
2020									
Geographic	**Bank**				**Aggregate**				**Bus.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Moderate	52	5.8%	5,586	6.9%	397	8.9%	25,414	10.9%	8.6%
LMI	52	5.8%	5,586	6.9%	397	8.9%	25,414	10.9%	8.6%
Middle	490	54.9%	47,282	58.8%	3,099	69.3%	155,987	67.0%	69.6%
Upper	351	39.3%	27,557	34.3%	975	21.8%	51,364	22.1%	21.9%
Unknown	0	0.0%	0	0.0%	1	0.0%	20	0.0%	0.0%
Total	**893**		**80,425**		**4,472**		**232,785**		
2021									
Geographic	**Bank**				**Aggregate**				**Bus.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Moderate	45	6.9%	3,924	5.8%	384	8.1%	17,532	9.7%	8.1%
LMI	45	6.9%	3,924	5.8%	384	8.1%	17,532	9.7%	8.1%
Middle	355	54.4%	36,692	54.4%	3,333	69.9%	124,229	68.9%	69.4%
Upper	253	38.7%	26,884	39.8%	1,048	22.0%	38,476	21.3%	22.5%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Total	**653**		**67,500**		**4,765**		**180,237**		
GRAND TOTAL									
Geographic	**Bank**				**Aggregate**				**Bus.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	-	0.0%	-	0.0%	
Moderate	121	7.0%	11,058	6.5%	1,069	8.2%	53,101	9.6%	
LMI	121	7.0%	11,058	6.5%	1,069	8.2%	53,101	9.6%	
Middle	950	54.9%	98,749	58.0%	9,203	70.2%	376,379	68.3%	
Upper	658	38.1%	60,402	35.5%	2,841	21.7%	121,524	22.1%	
Unknown	-	0.0%	-	0.0%	1	0.0%	20	0.0%	
Total	**1,729**		**170,209**		**13,114**		**551,024**		

5. Action Taken in Response to Written Complaints with Respect to CRA: "N/A"

Neither DFS nor ATC received any written complaints during the evaluation period regarding ATC's CRA performance.

B. Community Development Test: Outstanding

ATC's community development performance demonstrated an outstanding responsiveness to the community development needs of its assessment area through community development loans, qualified investments and community development services, considering ATC's capacity and the need for and availability of opportunities for community development in its assessment area.

1. Community Development Lending: Outstanding

During the evaluation period, ATC originated $41.1 million in new community development loans, and had $16.4 million outstanding from prior evaluation periods within the assessment area. This demonstrated an outstanding level of community development lending over the course of the evaluation period.

The majority of the Bank's community development loans supported the community development purposes of revitalization & stabilization and community services, as shown in the table below.

Community Development Loans				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
Purpose	# of Loans	$000	# of Loans	$000
Affordable Housing	6	4,028	13	7,343
Community Services	5	3,279	9	5,942
Economic Development	9	15,528	1	20
Revitalize/Stabilize	5	18,250	5	3,054
Total	25	41,085	28	16,359

Below are highlights of ATC's community development lending:

- ATC extended a $500,000 construction loan to finance the construction of an 8,000 square foot building to be the headquarters of a nonprofit organization that provides services to victims of sexual abuse and domestic violence.
- ATC originated a $4.4 million Small Business Administration 504 loan to purchase a resort located in a middle-income area. The resort will provide jobs for LMI individuals from the surrounding areas promoting economic development.
- ATC extended a $8.8 million loan for the construction of a climate controlled self-storage facility located in a moderate-income area. The storage facility will revitalize and stabilize the surrounding area and provide job opportunities for LMI individuals.
- ATC refinanced an existing loan in the amount of $3 million to a restaurant. Although the restaurant is located in an upper-income area, the restaurant provides employment to LMI individuals, promoting economic development.

- ATC extended $7 million in loans to a local business engaged in providing plumbing, heating and other related services located in a moderate-income area within the assessment area. The credit facility included $2 million in PPP loans and the balance were term loans. This business helps in the revitalization and stabilization of the area as well as providing jobs for local residents.

2. Qualified Investments: Satisfactory

During the evaluation period, ATC made qualified investments totaling $3.6 million and had $190,000 outstanding from prior evaluation periods. This compares to a single qualified investment of $1.2 million in the prior evaluation period. In addition, ATC made 347 qualified grants totaling $1.8 million. This demonstrated a satisfactory level of qualified investments and grants over the course of the evaluation period.

Qualified Investments and Grants				
	This Evaluation Period		Outstandings from Prior	
CD Investments	# of Inv.	$000	# of Inv.	$000
Affordable	3	2,746		
Economic				
Community				
Revitalization /	2	820	1	190
Total	5	3,566	1	190
CD Grants	# of Grants	$000	Not Applicable	
Affordable	6	36		
Economic	4	5		
Community	324	1,702		
Revitalization /	13	15		
Total	347	1,757		

Below are highlights of ATC's qualified investments and grants.

Investments

- ATC made a $1.7 million investment in a Federal National Mortgage Association guaranteed mortgage-backed bond collateralized by residential mortgages to LMI borrowers.

- The Bank invested in New York State Housing Finance Agency bonds totaling $1 million. The agency supports affordable housing to low- and moderate-income residents throughout New York including the assessment area. One bond in the amount of $635,000 was "Climate Bond Certified."

- ATC purchased $500,000 in bonds that support the construction of a water line in an adjacent county that is outside the bank's assessment area but will benefit and help to revitalize & stabilize moderate-income areas within the assessment area.

Grants

- ATC made a $150,000 grant to a foundation that includes a nonprofit nursing home that receives 86% of its revenue from Medicaid and Medicare.

- The Bank donated $119,000 to an organization which operates a food pantry and provides affordable housing, free clothing and furniture to low- and moderate-income individuals.

- ATC donated $62,500 to an organization that provides various community services such as athletic, educational, and daycare programs to individuals and families regardless of their ability to pay. The organization provides financial assistance to children, teens, adults and families who cannot afford the full cost of membership or programs and financial assistance is based on household income and household size.

3. Community Development Services: Outstanding

ATC demonstrated an outstanding level of community development services over the course of the evaluation period.

Community Development Services	
Activity Type	**Number of Activities**
On-Going Board & Committee Memberships	157
Technical Assistance	3
Seminars	3
Other Services	3
Total Community Development Services	166

During the evaluation period, Bank directors, officers and employees performed 166 community development services, a majority of which provided leadership and financial expertise through board and committee membership in community organizations promoting affordable housing and community services.

Below are highlights of ATC's community development services:

- A director/vice president served on the board of a nonprofit organization whose mission is to provide basic necessities and services to LMI individuals and families. The organization offers assistance with affordable housing, free clothing, furniture and after-school youth programs. The organization also operates a food pantry.

- Several members of the senior management team of the Bank's sit on the board of a foundation which operates a rental housing facility that provides home care, therapy, rehabilitation, recreational and social programs for low-income seniors.

- Two directors of the Bank served on the board of trustees of a local hospital, which is an acute care community hospital with programs to assist low-income, uninsured or underinsured individuals.

Responsiveness to Community Development Needs:

ATC demonstrated a satisfactory level of responsiveness to community development needs through community development lending, services and qualified investments. In addition, ATC originated 1,570 PPP loans totaling $163 million to assist small business affected by the COVID pandemic. The vast majority of these PPP loans were originated in the Bank's assessment area.

C. Additional Factors

1. The extent of participation by the banking institution's Board of Directors or Board of Trustees in formulating the banking institution's policies and reviewing its performance with respect to the purposes of the CRA.

The board of directors is kept abreast of the Bank's CRA activities and meeting the credit needs of the community through senior management, the board's executive committee and mortgage committee. Senior management meets weekly to discuss new loans originated and current events the bank either sponsored or participated in. The loan department meets weekly to report on and discuss loan activity. Senior management of lending meets monthly to discuss the loan dashboard report. The executive committee of the board is provided with many of these reports that contain information regarding the Bank's lending activities and their effectiveness in the markets served. The mortgage committee of the board tours the Bank's market area on a regular basis to review the impact of the Bank's CRA activities. Both committees report to the board.

2. Discrimination and other illegal practices

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

DFS examiners did not note practices by ATC intended to discourage applications for the types of credit offered by ATC.

- *Evidence of prohibited discriminatory or other illegal credit practices.*

DFS and ATC, on June 24, 2021, entered into a Consent Order (https://www.dfs.ny.gov/system/files/documents/2021/06/ea20210624_adirondack.pdf) to resolve an investigation by the Department conducted into ATC's underwriting and pricing of automobile loans arranged by automobile dealers for the time period of January 1, 2016 through October 31, 2017. The Department did not find evidence of intentional discrimination by ATC during the investigation.

While the time period of the investigation was during the prior CRA evaluation period, the Consent Order was issued during the current evaluation period and required a $275,000 fine to be paid to the Department and for restitution to the Eligible Impacted Borrowers. The Bank, as required by the consent order, provided restitution to 110 Eligible Impacted Borrowers in the total amount of $45,297.40.

3. Record of opening and closing offices and providing services at offices

During the evaluation period, ATC opened a new branch in Warren County and relocated a branch located in Warren County, 2 miles from 24 Maple Street, Glenn Falls to 79 Main Street, Queensbury, NY, all branches are in middle-income census tracts.

Branch hours in majority of the 14 full-service locations are Monday through Wednesday from 9:00 AM to 3:00 PM, and until 6:00 PM on Thursday and Friday. Most branch offices offer drive-thru services, which customers can access from 8:00 AM until normal closing hours. In addition, all but three branch offices offer Saturday hours from 9:00 AM to 1:00 PM.

The Bank has an ATM network of 25 ATMs; one located at each of the 14 branch offices and 11 offsite ATMs. Additional access to accounts is provided nationally through NYCE and PLUS networks and locally at non-ATC ATMs at supermarkets and other retailers.

ATC provides 24-hour access to banking services through its online banking service, which allows customers to conduct almost all of their banking needs from a personal computer, tablet, or smartphone. Customers can receive their account statements electronically and open new deposit accounts online using the Bank's website. In addition, the Bank's mobile app provides account access and remote deposit services.

Distribution of Branches within the Assessment Area						
	Low #	Moderate #	Middle #	Upper #	Total #	LMI %
Saratoga			9	2	11	0%
Warren			3		3	0%
Total	-	-	**12**	**2**	**14**	0%

**Partial County*

4. 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.*

ATC uses a variety of activities to ensure that communities and organizations within its assessment area are aware of the Bank's credit services. These activities include Bank employees and officers attending various community events, meeting with municipal officials, as well as civic, religious, neighborhood, minority, and not-for-profit organizations to ascertain the credit need of the community and make the community aware of the credit services offered by the Bank. ATC also maintains a booth at local home shows and small business expositions.

The Bank also participates in special loan programs such as the FNMA's HomeReady Program, FNMA's RefiNow Program, the Lake George Septic Home Equity Loan program, the U.S. Small Business Administration Loan Guaranty Program and the New York State Excelsior Linked Deposit Loan Program.

- *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*

ATC markets its services and products using traditional media channels, e.g., newspaper, magazine, radio, TV and digital media. The Bank also has a billboard located just North of exit 13 on Interstate-87. In addition, the Bank advertises on its website and within its branch offices.

5. Other factors that in the judgment of the Superintendent bear upon the extent to which ATC is helping to meet the credit needs of its entire community

- ATC also made $21.3 million in community development loans and $5.3 million in community development investments outside its assessment area, but in New York State.

- During the pandemic, the Bank offered forbearance and loan payment deferrals to customers with consumer loans or business loans, waived late fees on credit cards and early withdrawal penalties on time deposits, as well as offering rebates of ATM fees.

V - GLOSSARY

Aggregate Lending

"Aggregate lending" means the number of loans originated and purchased by all reporting lenders in specified categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the assessment area.

Banking Development District ("BDD") Program

The BDD Program is a program designed to encourage the establishment of bank branches in areas across New York State where there is a demonstrated need for banking services, in recognition of the fact that banks can play an important role in promoting individual wealth, community development, and revitalization. Among others, the BDD Program seeks to reduce the number of unbanked and underbanked New Yorkers and enhance access to credit for consumers and small businesses. More information about the program, may be found at https://www.dfs.ny.gov and search for the BDD Program.

Community Development

"Community development" means:

- Affordable housing (including multifamily housing) for LMI individuals;
- Community services targeted to LMI individuals;
- 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;
- Activities that revitalize or stabilize LMI geographies, designated disaster areas, or distressed or underserved metropolitan middle-income geographies designated by the Board of Governors of the federal Reserve System, FDIC and the Office of Comptroller of the Currency; and
- Activities that seek to prevent defaults and/or foreclosures in loans included in the first and third bullet points above.

Community Development Loan

"Community development loan" means a loan that has 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 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.

Community Development Service

"Community development service" means a service that has community development as its *primary purpose*, 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.

Community Development Financial Institution ("CDFI")

A CDFI is a financial institution that provides credit and financial services to underserved markets and populations and has a primary mission of community development, serves a target market, is a financing entity, provides development services, remains accountable to its community, and is a non-governmental entity. CDFIs are certified as such by United States Treasury Department's CDFI Fund.

Fair Market Rents ("FMRs")

Fair Market Rents are published and developed annually by the US Department of Housing and Urban Development ("HUD") and used to determine rent payments for affordable housing projects such as Section 8 contracts in defined metropolitan statistical areas ("MSAs") nationwide. For easy reference of annual FMRs in New York MSAs or counties, go to www.huduser.gov/portal/datasets/fmr.html

Geography

"Geography" means a census tract delineated by the United States Bureau of the Census in the most recent decennial census.

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.

Income Level

The income level for borrowers is based on household or family income. A geography's income is categorized by median family income for the geography. In both cases, the income is compared to the Metropolitan Statistical Area ("MSA") or statewide nonmetropolitan median income.

Income level of individual or geography	% of the area median income
Low-income	Less than 50
Moderate-income	At least 50 and less than 80
Middle-income	At least 80 and less than 120
Upper-income	120 or more

LMI Geographies

"LMI geographies" means those census tracts or block numbering areas where, according to the most current U.S. 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 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 Block Numbering Areas ("BNAs") and tracted areas that are not part of a MSA or PMSA, the area median family income would be the statewide non-metropolitan median family income.

LMI Borrowers

"LMI borrowers" means 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 cases 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 non-metropolitan median family income. In all instances, the area median family incomes used to measure borrower income levels are updated annually by the Federal Financial Institutions Examination Council ("FFIEC").

LMI Individuals/Persons

"LMI individuals" or "LMI persons" means individuals or persons 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 non-metropolitan median family income. In all instances, the area median family incomes used to measure individual income levels are updated annually by the FFIEC.

LMI Penetration Rate

"LMI penetration rate" means the percentage of a bank's total loans (for a particular product) that was extended to LMI geographies or borrowers. For example, if a bank made 20 out of a total of 100 loans in LMI geographies or to LMI borrowers, the penetration rate would be 20%.

Low-Income Housing Tax Credit ("LIHTC")

LIHTC were created under the Tax Reform Act of 1986, that provides incentives to invest in projects for the utilization of private equity in the development of affordable housing aimed at low-income Americans. The tax credits provide a dollar-for-dollar reduction in a taxpayer's federal income tax. It is more commonly attractive to corporations since the passive loss rules and similar tax changes greatly reduced the value of tax credits and deductions to individual taxpayers.

Minority Depository Institutions ("MDIs")

An MDI is defined as a federal insured depository institution for which (1) 51 percent or more of the voting stock is owned by minority individuals; or (2) a majority of the board of directors is minority and the community that the institution serves is predominantly minority. For more of MDIs, go to FDIC.gov (Minority Depository Institutions Program) including list of MDIs.

New Markets Tax Credit ("NMTC")

The NMTC Program was established by Congress in December 2000 to stimulate economic and community development and job creation in low-income communities. It permits taxpayers to receive a credit against federal income taxes for making qualified equity investments in Community Development Entities ("CDEs"). The credit provided to the investor totals 39% of the cost of the investment and is claimed over a 7-year period. CDEs must use substantially all of the taxpayer's investments to make qualified investments in low-income communities. The Fund is administered by the CDFI Fund, an agency of the United States Department of the Treasury.

Paycheck Protection Program ("PPP") Loans

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") temporarily permits the U.S. Small Business Administration ("SBA") to guarantee 100% of 7(a) loans under a new program titled the "Paycheck Protection Program". The intent of the PPP is to help small business cover payroll costs providing for forgiveness of up to the full principal of qualifying loans guaranteed under the PPP subject to certain rules including how much or percentage of the loan proceeds a borrower spends on payroll costs. A small business owner can apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Any amount of the PPP loan that is not forgiven shall be repaid over a 5-year term at a fixed interest rate of 1%. The program officially ended May 31, 2021.

Qualified Investment

"Qualified investment" means a lawful investment, deposit, membership share or grant that has community development as its *primary purpose*. 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.

Small Business Loan

A small business loan is a loan less than or equal to $1 million.

NEW YORK STATE
DEPARTMENT OF FINANCIAL SERVICES
FINANCIAL FRAUDS AND CONSUMER PROTECTION DIVISION

One State Street
New York, NY 10004

PUBLIC SUMMARY

COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION

Date of Evaluation: December 31, 2018

Institution: Adirondack Trust Company
473 Broadway
Saratoga Springs, NY 12866

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 Department of Financial Services concerning the safety and soundness of this financial institution.**

TABLE OF CONTENTS

GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act ("CRA") performance of Adirondack Trust Company ("ATC" or the "Bank") prepared by the New York State Department of Financial Services ("DFS" or the "Department"). This evaluation represents the Department's current assessment and rating of the institution's CRA performance based on an evaluation conducted as of December 31, 2018.

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

Part 76 of the General Regulations of the Superintendent ("GRS") implements Section 28-b and further requires that the 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 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 in 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 ("Evaluation") be made available to the public. Evaluations of banking institutions are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Sections 76.8 through 76.13. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York Banking Law.

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

OVERVIEW OF INSTITUTION'S PERFORMANCE

The Department evaluated ATC according to the intermediate small banking institution performance criteria pursuant to Sections 76.7 and 76.12 of the GRS. The assessment period included calendar years 2016, 2017 and 2018 for the lending test. The community development test included the last two quarters of 2016 and calendar years 2017 and 2018. ATC is rated "2," indicating a "Satisfactory" record of helping to meet community credit needs within regulatory standards.

The rating is based on the following factors:

Lending Test: Satisfactory

The Bank's small business and HMDA-reportable lending activities were reasonable in light of its size, business strategy, and financial condition, as well as aggregate and peer group activity and the demographic characteristics and credit needs of the assessment area.

Loan-to-Deposit Ratio and Other Lending-Related Activities: Satisfactory

ATC's average loan-to-deposit ("LTD") ratio was adequate considering its size, business strategy, financial condition and peer group activity.

During the evaluation period, ATC's average LTD ratio was 71.8%, which was below its peer group's average of 85.4%. The Bank's LTD ratio was impacted by its business strategy of selling loans into the secondary market.

Assessment Area Concentration: Satisfactory

ATC originated 82.2% by number and 80.5% by dollar value of its total HMDA-reportable and small business loans within the assessment area during the evaluation period. This majority of lending inside of the Bank's assessment area is a reasonable concentration of lending within the assessment area.

Distribution by Borrower Characteristics: Satisfactory

ATC's HMDA-reportable and small business loans demonstrated a reasonable distribution of loans among individuals of different income levels and businesses of different revenue sizes.

Geographic Distribution of Loans: Satisfactory

ATC's origination of loans in census tracts of varying income levels demonstrated a reasonable distribution of lending. DFS evaluated this criterion based on the Bank's lending performance in moderate-income census tracts only; the Bank's assessment area did not contain low-income census tracts.

Action Taken in Response to Written Complaints with Respect to CRA: N/A

Neither DFS nor ATC received any written complaints during the evaluation period regarding the Bank's CRA performance.

Community Development Test: Satisfactory

ATC's community development performance demonstrated reasonable responsiveness to the community development needs of its assessment area through community development loans, investments and services, considering ATC's capacity, and the need for and availability of opportunities for community development in its assessment area.

Community Development Lending: Outstanding

During the evaluation period, ATC originated $15.1 million in new community development loans, and had $16.5 million outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending over the course of the evaluation period.

Qualified Investments: Needs to Improve

During the evaluation period, ATC's qualified investments totaled $1.8 million, reflecting a decline of 64.7% from the $5.1 million of qualified investments in the prior evaluation. Grant activities also decreased by 17.7%, from $405,957 in the prior evaluation period to $334,037 in this evaluation period. This demonstrated a less than adequate level of qualified investments over the course of the evaluation period.

Community Development Services: Outstanding

ATC demonstrated an excellent level of community development services over the course of the evaluation period. The Bank's senior management and other bank personnel were very active in their communities, performing over 150 qualified community development services activities. This reflected an increase of more than 50% from the prior evaluation period.

Responsiveness to Community Development Needs:

ATC demonstrated a reasonable level of responsiveness to credit and community development needs.

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

PERFORMANCE CONTEXT

Institution Profile

Established in 1901, ATC is a New York State-chartered, full-service commercial bank headquartered in Saratoga Springs, New York.

ATC provides various traditional banking services and products to the communities of Saratoga and Warren counties, such as personal and business checking and savings. ATC has three affiliates: Adirondack Trust Company Financial Services, Inc., an insurance agency which provides a full line of insurance products to consumers and businesses, Adirondack R.E.I.T. Inc., which holds investments in residential and commercial mortgages loans, and the Adirondack Trust Company Community Fund, an independent nonprofit charitable organization that provides financial support to other nonprofit and charitable organizations.

In its Consolidated Report of Condition (the "Call Report") as of December 31, 2018, filed with the Federal Deposit Insurance Corporation ("FDIC"), ATC reported total assets of $1.2 billion, of which $760.4 million were net loans and lease financing receivables. It also reported total deposits of $1 billion, resulting in a LTD ratio of 76%. According to the latest available comparative deposit data as of June 30, 2018, ATC held a market share of 15%, or $995,644 million in a market of $6.6 billion, ranking it 2nd among 17 deposit-taking institutions in the assessment area.

The following is a summary of the Bank's loan portfolio, based on Schedule RC-C of the Bank's December 31, 2016, 2017 and 2018 Call Reports:

TOTAL GROSS LOANS OUTSTANDING						
	2016		2017		2018	
Loan Type	$000's	%	$000's	%	$000's	%
1-4 Family Residential Mortgage Loans	208,364	28.4	202,405	27.4	209,060	27.5
Commercial & Industrial Loans	66,156	9.0	77,184	10.4	94,929	12.5
Commercial Mortgage Loans	256,750	35.0	288,180	39.0	306,220	40.2
Multifamily Mortgages	16,202	2.2	39,182	5.3	51,383	6.8
Consumer Loans	120,164	16.4	98,398	13.3	60,733	8.0
Construction Loans	56,845	7.7	22,499	3.0	28,859	3.8
Obligations of States & Municipalities	6,654	0.9	8,041	1.1	7,261	1.0
Other Loans	3,150	0.4	2,915	0.4	2,683	0.4
Total Gross Loans	734,285		738,804		761,128	

As of December 31, 2018, commercial and industrial loans and commercial mortgages comprised a total of 52.7% of gross loans, while residential mortgage loans, consisting of both 1-4 family residential loans and multifamily loans, constituted 34.3% of total gross loans.

During the evaluation period, ATC reduced its consumer lending by almost 50%, from $120.2 million in 2016 to $60.7 million in 2018, while increasing its commercial lending.

ATC operates 13 banking offices, of which 11 are located in Saratoga County and two are in Warren County. Supplementing the banking offices are automated teller machines ("ATMs") in each banking office. Additionally, the Bank has 15 off-site ATM locations in and around Saratoga County.

Examiners did not find evidence of financial or legal impediments that had an adverse impact on ATC's ability to meet the credit needs of its community.

Assessment Area

The Bank's assessment area is comprised of parts of Saratoga and Warren counties.

There are 43 census tracts in the assessment area, of which none are low-income, seven are moderate-income, 29 are middle-income, six are upper-income, and one tract is a tract with no income indicated.

Assessment Area Census Tracts by Income Level							
County	N/A	Low	Mod	Middle	Upper	Total	LMI %
Saratoga*	1	0	5	20	4	30	16.7
Warren*	0	0	2	9	2	13	15.4
Total	1	0	7	29	6	43	16.3

** Partial county*

Demographic & Economic Data

The assessment area had a population of 190,650 during the evaluation period. About 15.7% of the population were over the age of 65 and 18.4% were under the age of sixteen.

Of the 49,135 families in the assessment area 17.7% were low-income, 17.7% were moderate-income, 22.4% were middle-income and 42.2% were upper-income. There were 76,771 households in the assessment area, of which 9% had income below the poverty level, and 1.7% were on public assistance.

The weighted average median family income in the assessment area was $81,718.

There were 87,319 housing units within the assessment area, of which 81.5% were one-to-four family units, and 10.7% were multifamily units. A majority (60.7%) of the area's housing units were owner-occupied, while 27.2% were rental units. Of the

53,030 owner-occupied housing units, 8.3% were in moderate-income census tracts while 91.7% were in middle- and upper-income census tracts. The median age of the housing stock was 46 years, and the median home value in the assessment area was $229,204.

There were 12,012 non-farm businesses in the assessment area. Of these, 82.8% were businesses with reported revenues of less than or equal to $1 million, 5.8% reported revenues of more than $1 million and 11.4% did not report their revenues. Of all the businesses in the assessment area, 97.1% were businesses with less than fifty employees while 87.8% operated from a single location. The largest industries in the area were services (46.6%), followed by retail trade (16%) and construction (8.9%), while 6.5% of businesses in the assessment area were not classified.

According to the New York State Department of Labor, the average annual unemployment rate for New York State decreased during the evaluation period. Warren County's annual average unemployment rates were consistently higher than Saratoga County's and New York State's rates.

Assessment Area Unemployment Rate			
	Statewide	Saratoga	Warren
2016	4.8%	3.8%	5.2%
2017	4.7%	4.0%	5.3%
2018	4.2%	3.6%	4.8%
Average	4.6%	3.8%	5.1%

Community Information

DFS contacted an organization that provides affordable housing for low- and moderate-income individuals and families. The organization provides housing for the elderly and persons with disabilities, and participates in programs that have long-term goals for affordable housing.

A representative of the organization indicated that affordable housing is a primary need and noted that the community is underserved by public transportation. The organization is expanding its affordable housing stock, homeownership programs; low-income housing tax credits ("LIHTC"); and Section 8 programs. Local financial institutions can participate by supporting these programs, intended to provide affordable housing, which is a necessity in the City of Saratoga. Although the organization is government funded, local financial institutions can actively participate, by making donations and providing financial support to the organization.

DFS also conducted an interview with a representative from a community development organization whose primary goal is to strengthen the community and improve the conditions in which low-income individuals live. The organization has programs that address various challenges low-income families face, including hunger, housing, childcare, and language barriers. The organization addresses the community needs by providing services that include, health and mental health services, education, nutrition, an emergency food pantry, legal, and immigration services.

According to the representative, there is a growing immigrant population in Saratoga County. The organization has an English as a second language program. It also offers services designed to help those who face legal and immigration issues. The representative indicated that food security was also a significant need and that financial institutions could help meet this and other needs through increased donations.

Both representatives indicated that a lack of public transportation which makes it difficult for low- and moderate-income individuals and families to obtain access to banking and credit services and job opportunities. The representatives cited ATC as being visible and active in the community, and that the Bank has provided monetary assistance through its foundation. The organization seeks continued participation from local financial institutions to help assist in its mission of helping low-income individuals and families achieve self-sufficiency.

PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

The Department evaluated ATC under the intermediate small banking institution performance standards in accordance with Sections 76.7 and 76.12 of the GRS, which consist of the lending test and the community development test.

The lending test includes:
1. *Loan-to-deposit ratio and other lending-related activities;*
2. *Assessment area concentration;*
3. *Distribution of loans by borrower characteristics;*
4. *Geographic distribution of loans; and*
5. *Action taken in response to written complaints regarding CRA.*

The community development test includes:
1. *Community development lending;*
2. *Community development investments;*
3. *Community development services; and*
4. *Responsiveness to community development needs.*

DFS also considered the following factors in assessing the Bank's record of performance:
1. *The extent of participation by the board of directors or board of trustees in formulating CRA policies and reviewing CRA performance;*
2. *Evidence of any practices intended to discourage credit applications;*
3. *Evidence of prohibited discriminatory or other illegal credit practices;*
4. *Record of opening and closing offices and providing services at offices; and*
5. *Process factors, such as activities to ascertain credit needs and the extent of marketing and special credit related programs.*

DFS derived statistics employed in this evaluation from various sources. ATC submitted Bank-specific information both as part of the examination process and on its Call Report submitted to the FDIC. DFS obtained aggregate lending data from the Federal Financial Institutions Examination Council ("FFIEC") and deposit data from the FDIC. DFS calculated LTD ratios from information shown in the Bank's Uniform Bank Performance Report, compiled by the FFIEC from Call Report data.

DFS derived the demographic data referred to in this report from the 2010 U.S. Census and the FFIEC. DFS based business data on Dun & Bradstreet reports, which Dun & Bradstreet updates annually. DFS obtained unemployment data from the New York State Department of Labor. Some non-specific bank data are only available on a county-wide basis, and DFS used this information even where the institution's assessment area includes partial counties.

The assessment period included calendar years 2016, 2017 and 2018 for the lending test. The community development test included the last two quarters of 2016 and calendar years 2017 and 2018.

Examiners considered ATC's HMDA-reportable and small business loans in evaluating factors (2), (3) and (4) of the lending test noted above.

At its prior Performance Evaluation as of June 30, 2016, DFS assigned ATC a rating of "2," reflecting a "Satisfactory" record of helping to meet the credit needs of ATC's community.

Current CRA Rating: Satisfactory

<u>Lending Test</u>: Satisfactory

ATC's small business and HMDA-reportable lending activities were reasonable in light of ATC's size, business strategy, and financial condition, as well as aggregate and peer group activity and the demographic characteristics and credit needs of the assessment area.

<u>Loan-to-Deposit Ratio and Other Lending-Related Activities</u>: Satisfactory

ATC's average LTD ratio was reasonable considering its size, business strategy, financial condition and peer group activity.

For this evaluation period, ATC's average LTD ratio was 71.8% which was below its peer group's average of 85.4%. The Bank's average LTD ratio is impacted by the Bank's business strategy of selling a major portion of its HMDA-reportable loans in the secondary market.

The table below shows ATC's LTD ratios in comparison with the peer group's ratios for the ten quarters since the prior evaluation.

Loan-to-Deposit Ratios											
	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	Avg.
Bank	69.8	72.8	72.2	74.0	72.4	68.3	67.2	74.7	70.5	74.8	71.8
Peer	83.8	83.5	83.1	84.7	85.2	85.0	85.0	86.7	86.8	86.9	85.4

<u>Assessment Area Concentration</u>: Satisfactory

During the evaluation period, ATC originated 82.2% by number and 80.5% by dollar value of its total HMDA-reportable and small business loans within the assessment area. This majority of lending inside of its assessment area is a reasonable concentration of lending.

<u>*HMDA-Reportable Loans:*</u>

During the evaluation period, ATC originated 83.9% by number and 86.1% by dollar value of its HMDA-reportable loans within the assessment area. This majority of lending inside the assessment area reflects a reasonable concentration of lending within ATC's assessment area.

Small Business Loans:

During the evaluation period, ATC originated 81% by number and 72.8% by dollar value of its small business loans within the assessment area. This majority of lending inside the assessment area reflects a reasonable concentration of lending within ATC's assessment area.

The following table shows the percentages of ATC's HMDA-reportable and small business loans originated inside and outside of its assessment area.

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										
2016	206	84.8%	37	15.2%	243	48,356	83.0%	9,912	17.0%	58,268
2017	142	85.5%	24	14.5%	166	31,374	86.6%	4,859	13.4%	36,233
2018	189	81.8%	42	18.2%	231	66,770	88.4%	8,792	11.6%	75,562
Subtotal	537	83.9%	103	16.1%	640	146,500	86.1%	23,563	13.9%	170,063
Small Business										
2016	247	85.2%	43	14.8%	290	28,709	81.5%	6,534	18.5%	35,243
2017	244	82.4%	52	17.6%	296	32,415	71.3%	13,052	28.7%	45,467
2018	221	75.4%	72	24.6%	293	30,483	67.5%	14,692	32.5%	45,175
Subtotal	712	81.0%	167	19.0%	879	91,607	72.8%	34,278	27.2%	125,885
Grand Total	1,249	82.2%	270	17.8%	1,519	238,107	80.5%	57,841	19.5%	295,948

Distribution by Borrower Characteristics: Satisfactory

ATC's HMDA-reportable and small business lending demonstrated a reasonable distribution of loans among individuals of different income levels and businesses of different revenue sizes.

ATC's HMDA-reportable average rates of lending to LMI borrowers were below its aggregate's average rates. However, ATC's small business average rates of lending to businesses with gross annual revenues of $1 million or less outperformed its aggregate's rates.

HMDA-Reportable Loans:

ATC's HMDA-reportable lending demonstrated a less than adequate distribution of loans among borrowers of different income levels.

During the evaluation period, ATC's average rate of lending to LMI borrowers was 15.7% by number and 13.1% by dollar value of loans. This level of lending was lower than the aggregate's average rates of 25.8% and 15.9%, respectively. Additionally, the Bank's LMI lending rates were lower than the assessment area's residential demographics, which indicated that 35.4% of families in the assessment area were LMI in 2018.

The following table provides a summary of the distribution of ATC's 1-4 family loans by borrower income.

Distribution of 1-4 Family Loans by Borrower Income

Borrower Income	Bank #	Bank %	Bank $000's	Bank %	Aggregate #	Aggregate %	Aggregate $000's	Aggregate %	Fam.Dem. %
2016									
Low	6	2.9%	1,616	3.4%	211	4.5%	22,138	2.2%	17.4%
Moderate	25	12.2%	6,885	14.3%	891	19.0%	137,464	13.6%	18.4%
LMI	31	15.1%	8,501	17.6%	1,102	23.5%	159,602	15.8%	35.8%
Middle	38	18.5%	7,873	16.3%	1,163	24.8%	213,882	21.1%	22.4%
Upper	115	56.1%	26,180	54.3%	2,179	46.5%	580,130	57.3%	41.8%
Unknown	21	10.2%	5,627	11.7%	243	5.2%	59,678	5.9%	0.0%
Total	**205**		**48,181**		**4,687**		**1,013,292**		
2017									
Low	6	4.2%	566	1.8%	235	5.7%	25,266	2.8%	17.7%
Moderate	16	11.3%	2,670	8.5%	789	19.1%	123,682	13.6%	17.7%
LMI	22	15.5%	3,236	10.3%	1,024	24.7%	148,948	16.4%	35.4%
Middle	25	17.6%	3,774	12.0%	1,066	25.7%	201,339	22.1%	22.4%
Upper	90	63.4%	23,751	75.7%	1,893	45.7%	516,069	56.7%	42.2%
Unknown	5	3.5%	613	2.0%	157	3.8%	43,925	4.8%	0.0%
Total	**142**		**31,374**		**4,140**		**910,281**		
2018									
Low	9	5.0%	1,234	3.4%	355	7.0%	35,275	3.2%	17.7%
Moderate	21	11.6%	2,195	6.1%	1,009	19.9%	137,715	12.5%	17.7%
LMI	30	16.6%	3,429	9.6%	1,364	27.0%	172,990	15.7%	35.4%
Middle	33	18.2%	5,216	14.5%	1,335	26.4%	222,555	20.3%	22.4%
Upper	93	51.4%	22,686	63.2%	2,198	43.4%	523,890	47.7%	42.2%
Unknown	25	13.8%	4,548	12.7%	164	3.2%	178,960	16.3%	0.0%
Total	**181**		**35,879**		**5,061**		**1,098,395**		
GRAND TOTAL									
Low	21	4.0%	3,416	3.0%	446	3.3%	82,679	2.7%	
Moderate	62	11.7%	11,750	10.2%	2,689	19.9%	398,861	13.2%	
LMI	83	15.7%	15,166	13.1%	3,490	25.8%	481,540	15.9%	
Middle	96	18.2%	16,863	14.6%	3,564	26.3%	637,776	21.1%	
Upper	298	56.4%	72,617	62.9%	6,270	46.3%	1,620,089	53.6%	
Unknown	51	9.7%	10,788	9.3%	564	4.2%	282,563	9.4%	
Total	**528**		**115,434**		**13,533**		**3,021,968**		

Small Business Loans:

ATC's small business lending demonstrated an excellent distribution of loans among businesses of different revenue sizes.

During the evaluation period, ATC's average rate of lending to businesses with gross annual revenue of $1 million or less was 56.5% by number and 51.1% by dollar value.

ATC's average rate of lending outperformed the aggregate's average rate of 31.1% by number and 30.2% by dollar value of loans. ATC's rates of lending to small businesses during the entire evaluation period were considerably higher than the aggregate's rates; a trend that continued from prior evaluation periods. ATC's rates of lending to small businesses have historically exceeded the aggregate's rates.

Both the Bank's and the aggregate's rates of lending were lower than the assessment area's businesses demographics, which indicated that more than 82% of businesses in the assessment area had gross annual revenues of $1 million or less.

The following table provides a summary of the distribution of ATC's small business loans by the revenue size of the business.

Distribution of Small Business Lending by Revenue Size of Business									
2016									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	144	58.3%	13,597	47.4%	1,420	46.8%	38,767	31.0%	82.7%
Rev. > $1MM	73	29.6%	13,056	45.5%					5.7%
Rev. Unknown	30	12.1%	2,056	7.2%					11.5%
Total	**247**		**28,709**		**3,033**		**124,891**		
2017									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	139	57.0%	17,588	54.3%	1,543	48.6%	40,373	30.0%	82.8%
Rev. > $1MM	77	31.6%	11,457	35.3%					5.8%
Rev. Unknown	28	11.5%	3,370	10.4%					11.4%
Total	**244**		**32,415**		**3,178**		**134,585**		
2018									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	119	53.8%	15,636	51.3%	1,507	45.3%	35,309	29.6%	82.8%
Rev. > $1MM	61	27.6%	10,203	33.5%					5.8%
Rev. Unknown	41	18.6%	4,644	15.2%					11.4%
Total	**221**		**30,483**		**3,328**		**119,241**		
GRAND TOTAL									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	402	56.5%	46,821	51.1%	2,963	31.1%	114,449	30.2%	
Rev. > $1MM	211	29.6%	34,716	37.9%	-				
Rev. Unknown	99	13.9%	10,070	11.0%	0				
Total	**712**		**91,607**						

Geographic Distribution of Loans: Satisfactory

ATC's origination of loans in census tracts of varying income levels demonstrated a reasonable distribution of lending. The Bank's assessment area contains no low-income census tracts.

HMDA-Reportable Loans:

The distribution of ATC's HMDA-reportable loans among census tracts of different income levels was less than adequate.

Overall, ATC's average rate of lending in moderate-income census tracts during the evaluation period was 4.5% by number and 2.4% by dollar value, which was an improvement from the rate of lending by number (2.5%) and by dollar value (1.6%) during the Bank's prior evaluation period. However, ATC's rate of lending in moderate-income census tracts was less than the aggregate's average rates of 6.6% and 4.1%, respectively. Both the Bank's and the aggregate's distribution of loans in moderate-income census tracts were below the demographic percentage for owner-occupied housing units in that census tract category.

The following table provides a summary of the distribution of ATC's HMDA-reportable loans by the income level of the geography where the property was located.

Distribution of HMDA-Reportable Lending by Geographic Income of the Census Tract									
2016									
Geographic	**Bank**				**Aggregate**				**OO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Moderate	8	3.9%	939	1.9%	250	5.2%	34,709	3.2%	6.9%
LMI	8	3.9%	939	1.9%	250	5.2%	34,709	3.2%	6.9%
Middle	129	62.6%	29,519	61.0%	3,487	72.6%	761,317	71.0%	71.1%
Upper	69	33.5%	17,898	37.0%	1,068	22.2%	276,241	25.8%	22.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Total	**206**		**48,356**		**4,805**		**1,072,267**		
2017									
Geographic	**Bank**				**Aggregate**				**OO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Moderate	6	4.2%	1,036	3.3%	323	7.5%	46,528	4.4%	8.3%
LMI	6	4.2%	1,036	3.3%	323	7.5%	46,528	4.4%	8.3%
Middle	95	66.9%	19,025	60.6%	3,290	76.8%	753,255	71.5%	75.8%
Upper	41	28.9%	11,313	36.1%	672	15.7%	253,984	24.1%	15.9%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	
Total	**142**		**31,374**		**4,285**		**1,053,767**		
2018									
Geographic	**Bank**				**Aggregate**				**OO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Moderate	10	5.3%	1,557	2.3%	354	7.0%	51,950	4.7%	8.3%
LMI	10	5.3%	1,557	2.3%	354	7.0%	51,950	4.7%	8.3%
Middle	134	70.9%	50,266	75.3%	3,854	76.2%	841,490	76.6%	75.8%
Upper	45	23.8%	14,947	22.4%	853	16.9%	204,955	18.7%	15.9%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	
Total	**189**		**66,770**		**5,061**		**1,098,395**		
GRAND TOTAL									
Geographic	**Bank**				**Aggregate**				**OO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	-	0.0%	-	0.0%	
Moderate	24	4.5%	3,532	2.4%	927	6.6%	133,187	4.1%	
LMI	24	4.5%	3,532	2.4%	927	6.6%	133,187	4.1%	
Middle	358	66.7%	98,810	67.4%	10,631	75.1%	2,356,062	73.1%	
Upper	155	28.9%	44,158	30.1%	2,593	18.3%	735,180	22.8%	
Unknown	0	0.0%	0	0.0%		0.0%		0.0%	
Total	**537**		**146,500**		**14,151**		**3,224,429**		

Small Business Loans:

The distribution of ATC's small business loans among census tracts of varying income levels was reasonable.

In 2016, ATC's rate of lending underperformed the aggregate by number and dollar value of loans. However, in 2017, the Bank's rate of lending by number and dollar value of loans outperformed the aggregate's rate of lending. This was the result of ATC making more loans in moderate-income geographies in 2017, in spite of originating fewer loans during that year.

Overall, ATC's average rate of lending in LMI geographies during the evaluation period was 8% by number and 5.7% by dollar value. These rates were slightly lower than the aggregate's rates of 8.3% and 8%, respectively, and slightly lower than the demographic percentage of small businesses in moderate-income census tracts within the assessment area.

The following table provides a summary of the distribution of ATC's small business loans by the income level of the geography where the business was located.

Distribution of Small Business Lending by Geographic Income of the Census Tract									
2016									
Geographic	**Bank**				**Aggregate**				**Bus.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Moderate	13	5.3%	1,277	4.4%	244	8.0%	11,580	9.3%	8.2%
LMI	13	5.3%	1,277	4.4%	244	8.0%	11,580	9.3%	8.2%
Middle	180	72.9%	21,429	74.6%	2,142	70.6%	87,608	70.1%	72.7%
Upper	54	21.9%	6,003	20.9%	647	21.3%	25,703	20.6%	19.5%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Total	**247**		**28,709**		**3,033**		**124,891**		
2017									
Geographic	**Bank**				**Aggregate**				**Bus.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Moderate	27	11.1%	2,801	8.6%	285	9.0%	8,858	6.6%	9.9%
LMI	27	11.1%	2,801	8.6%	285	9.0%	8,858	6.6%	9.9%
Middle	147	60.2%	19,213	59.3%	2,156	67.8%	86,176	64.0%	70.5%
Upper	70	28.7%	10,401	32.1%	737	23.2%	39,551	29.4%	19.6%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Total	**244**		**32,415**		**3,178**		**134,585**		
2018									
Geographic	**Bank**				**Aggregate**				**Bus.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Moderate	17	7.7%	1,105	3.6%	266	8.0%	9,697	8.1%	9.9%
LMI	17	7.7%	1,105	3.6%	266	8.0%	9,697	8.1%	9.9%
Middle	132	59.7%	21,298	69.9%	2,294	68.9%	77,897	65.2%	70.5%
Upper	72	32.6%	8,080	26.5%	768	23.1%	31,849	26.7%	19.6%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Total	**221**		**30,483**		**3,328**		**119,443**		
GRAND TOTAL									
Geographic	**Bank**				**Aggregate**				**Bus.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	-	0.0%	-	0.0%	
Moderate	57	8.0%	5,183	5.7%	795	8.3%	30,135	8.0%	
LMI	57	8.0%	5,183	5.7%	795	8.3%	30,135	8.0%	
Middle	459	64.5%	61,940	67.6%	6,592	69.1%	251,681	66.4%	
Upper	196	27.5%	24,484	26.7%	2,152	22.6%	97,103	25.6%	
Unknown	0	0.0%	0	0.0%	-	0.0%	-	0.0%	
Total	**712**		**91,607**		**9,539**		**378,919**		

Action Taken in Response to Written Complaints with Respect to CRA: "Not Rated"

Neither DFS nor ATC received any written complaints during the evaluation period regarding the Bank's CRA performance.

<u>Community Development Test</u>: Satisfactory

ATC's community development performance demonstrated reasonable responsiveness to the community development needs of its assessment area through community development loans, investments and services, considering ATC's capacity, and the need for and availability of opportunities for community development in its assessment area.

During the evaluation period, ATC originated $15.1 million in new community development loans, and made $1.2 million in new qualified investments. Additionally, ATC made $334,037 in community development grants during the period.

<u>Community Development Lending</u>: Outstanding

During the evaluation period, ATC originated $15.1 million in new community development loans, and had $16.5 million outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending over the course of the evaluation period.

ATC's community development loans supported affordable housing, community services, and revitalization and stabilization initiatives.

Community Development Loans				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
Purpose	# of Loans	$000	# of Loans	$000
Affordable Housing	4	3,304	16	6,339
Economic Development				
Community Services	5	5,186	13	8,954
Revitalize/Stabilize	6	6,658	7	1,204
Total	15	15,148	36	16,497

Below are highlights of ATC's community development lending.

- In 2017, ATC originated a $2.2 million term loan for a local federally funded New York State-chartered government housing agency. The purpose of the agency is to provide housing for LMI individuals and families. Funds were used to finance the installation and upgrade of energy efficient equipment in two affordable housing apartment complexes within the assessment area.
- In 2018, the Bank extended a $5 million term loan to a local hospital, one of the largest employers in the region. Funds were used to purchase various equipment and furnishings for the community health center, which provides medical and health services regardless of income.

- ATC extended a $3.5 million term-loan to fund the purchase of a mixed-use property located in a moderate-income census tract, supporting a city's downtown revitalization program.

Qualified Investments: Needs to Improve

During the evaluation period, ATC made $1.2 million in new qualified investments and had $633,800 outstanding from prior evaluation periods. In addition, ATC made $334,037 in community development grants.

ATC's qualified community development investments of $1.8 million reflected a decline of 64.7% from the $5.1 million of investments in the prior evaluation period. Grant activities also decreased by 17.7%, from $405,957 in the prior evaluation period to $334,037 in this evaluation period. During the last two evaluation periods, new qualified investments have decreased by 74.6% while the Bank's asset size increased by 8.3%

Community Development Investments and Grants				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
CD Investments	# of Inv.	$000	# of Inv.	$000
Affordable Housing				
Economic Development				
Community Services	1	1,165		
Revitalization/Stabilization			2	633
Total	1	1,165	2	633
CD Grants	# of Grants	$000	Not Applicable	
Affordable Housing	8	9		
Economic Development	2	2		
Community Services	193	295		
Revitalization/Stabilization	8	28		
Total	211	334		

Below is a highlight of ATC's community development investments.

In 2017, ATC invested $1.2 million in a municipal bond issued by the City of Saratoga Springs. Funds were used for the acquisition of land for a park and agriculture project which is part of the city's comprehensive plan to promote agriculture as a primary means to expand the local economy. The project has built an Agriculture Resource Center, provided for farmland as well as recreational land, and various community programs. One farm program is "Food for Our Community" which donates food to local food pantries.

Below are highlights of ATC's community development grants:

- ATC made donations totaling more than $28,000 to a nonprofit organization that provides free home renovation services to low-income families, elderly couples, and the disabled. The organization participates in rehabilitation and revitalization projects, and has programs designed to provide a safe and healthy living environment.

- ATC made donations totaling $3,935 to a community social services organization whose services and programs focus on families with children, children with disabilities, seniors, homelessness, poverty and other issues facing society.

- During the evaluation period, ATC made donations of $1,500 to a nonprofit organization that serves the credit needs of entrepreneurs, small businesses, and community development organizations. The organization provides low-cost, flexible loans that help assist in projects such as, affordable housing, economic development, and community revitalization.

<u>Community Development Services</u>: Outstanding

ATC demonstrated an excellent level of community development services over the course of the evaluation period.

During the evaluation period, members of Bank management and other employees were very active in their communities, involved in over 150 qualified community development services activities.

Below are highlights of ATC's community development services:

- The Bank's president and CEO is a board member of a county level designated economic development organization, which assists the public and private sectors to achieve success for its businesses and residents. The organization's focus is business retention, expansion, and attraction, by providing delivery of economic development and workforce development assistance to businesses in Saratoga County.

- A Bank vice president served as a board member of a nonprofit organization providing basic necessities and services to LMI individuals and families in the community. The entity's programs include affordable housing, food pantry, free clothing and furniture distribution, and an after-school youth prevention program.

- An ATC board member has held board and committee memberships at various nonprofit healthcare organizations in the assessment area, as well as a membership in the fundraising committee of a local nonprofit dedicated to supporting individuals with multiple medical challenges and disabilities.

Innovativeness of Community Development Investments:

ATC did not use innovative investments to support community development.

Responsiveness to Community Development Needs:

ATC demonstrated a reasonable level of responsiveness to credit and community development needs through its varied community development lending that supported community services, affordable housing, and revitalization and stabilization of its communities.

Additional Factors

The extent of participation by the banking institution's Board of Directors or Board of Trustees in formulating the banking institution's policies and reviewing its performance with respect to the purposes of the CRA.

The board of directors and Bank officers actively participate in CRA-related activities. They meet regularly to discuss topics such as management and policy issues, current and new lending activities, and other CRA-related issues. The board monitors ATC's CRA performance through its CRA committee, which consists of key employees from various business lines within the Bank. The CRA committee meets annually to discuss CRA policies and procedures, which are reviewed and approved annually by the board of directors.

Discrimination and other illegal practices

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

  DFS examiners did not note evidence of practices by the Bank intended to discourage applications for the types of credit offered by ATC.

- *Evidence of prohibited discriminatory or other illegal credit practices.*

  On June 24, 2021, DFS and ATC entered into a Consent Order to resolve an investigation conducted by the Department into ATC's underwriting and pricing of automobile loans arranged by automobile dealers during the time period of January 1, 2016 through October 31, 2017.

  The Department's investigation identified statistically significant disparities in interest rates charged to borrowers in the protected classes of race and ethnicity when compared to non-Hispanic white borrowers. The Department found that these statistically significant disparities were a result of the Bank's policy of permitting its contracted automobile dealers to mark-up consumers' interest rates above the Bank's minimum applicable risk-based interest rate, known as the "buy rate".

The Department found that ATC's policy permitting its contracted automobile dealers to mark up the affected consumers' interest rates without regard to objective, credit-related factors resulted in a disparate impact on the basis of race or ethnicity, in violation of New York Executive Law Section 296-a. The Department did not find evidence of intentional discrimination.

Pursuant to the terms of the Consent Order, ATC has agreed to provide restitution to Eligible Impacted Borrowers and to pay to the Department a fine of $275,000.

For additional information, refer to the Consent Order, which may be found on the Department's web site at: https://www.dfs.ny.gov/system/files/documents/2021/06/ea20210624_adirondack.pdf

Record of opening and closing offices and providing services at offices

On May 1, 2017, ATC opened a new branch at 51 Luther Forest Boulevard, Mechanicville, NY, a middle-income census tract in Saratoga County. ATC did not close any branch office during the evaluation period.

Branch hours are Monday through Wednesday from 9:00 AM to 3:00 PM, with extended hours on Thursday and Friday until 6:00 PM. Most of the branch offices offer drive-thru services, which customers can access from 8:00 AM until normal closing hours. In addition, all, but three branch offices, offer Saturday hours from 9:00 AM to 1:00 PM.

ATC operates 16 automated teller machines ("ATMs") at its 13 banking offices. In addition, ATC has 15 offsite ATMs at various locations. Through its online banking service, customers have access to a full line of banking products 24 hours a day. Almost all banking services can be accessed using a personal computer, tablet or smartphone. Existing customers are able to open new accounts using the Bank's online service, and new customers can open new accounts via the Bank's official website. Access to accounts is also provided nationally to customers through the NYCE and PLUS networks.

Distribution of Branches within the Assessment Area							
County	**N/A #**	**Low #**	**Moderate #**	**Middle #**	**Upper #**	**Total #**	**LMI %**
*Saratoga				9	2	11	0%
*Warren				2		2	0%
Total	**0**	**0**	**0**	**11**	**2**	**13**	**0%**

*Partial County

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.*

ATC ascertains the credit needs of its community through community development activities and involvement with community development organizations. Bank officers meet with municipal officials, civic, religious, minority, and not-for-profit organizations in an effort to ascertain the credit needs of its communities. In addition, Bank personnel provide volunteer assistance and financial expertise to a variety of organizations. The Bank offers products and loan programs that are designed to meet the credit needs of LMI individuals and small businesses, including women-owned businesses.

- *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*

ATC markets its products and services in local newspapers, magazines, local radio stations, its website, as well as other business and professional association websites. The Bank offers special credit-related programs such as FNMA Home Ready, Business Banking Solutions, Small Business Administration loans, and the New York State Excelsior Linked Deposit Loan Program. The Bank's participation in these programs helps small business borrowers obtain credit and improve competitiveness or productivity.

Other factors that in the judgment of the Superintendent bear upon the extent to which ATC is helping to meet the credit needs of its entire community

- The Bank has established the Adirondack Trust Company Community Fund, an independent nonprofit charitable organization that provides financial support to other nonprofit and charitable organizations. The Bank serves as the trustee and administrator of the Fund, which has an independent advisory committee comprised of individuals from the community.

- ATC offers a free student checking account with the purpose of helping students develop money management skills and reach their financial goals.

- In 2017, ATC participated in the American Bankers Association's Teach Children to Save Day by teaching children fun ways of saving money. The Bank provided financial education coloring books to the children and invited them to visit any branch while their parents conducted banking transactions.

GLOSSARY

Aggregate Lending

The number of loans originated and purchased by all reporting lenders in specified categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the assessment area.

Community Development

"Community development":

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.

Community Development Loan

A loan that has 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.

Community Development Service

Service that has community development as its *primary purpose*, 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.

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 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.

Income Level

The income level for borrowers is based on household or family income. A geography's income is categorized by median family income for the geography. In both cases, the income is compared to the Metropolitan Statistical Area ("MSA") or statewide nonmetropolitan median income.

Income level of individual or geography	% of the area median income
Low-income	Less than 50
Moderate-income	At least 50 and less than 80
Middle-income	At least 80 and less than 120
Upper-income	120 or more

Small Business Loan

A small business loan is a loan less than or equal to $1 million.

Low or Moderate Income ("LMI") Geographies

Those census tracts or block numbering areas where, according to the 2010 U.S. 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 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 non-metropolitan 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 cases 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 non-metropolitan 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

Individuals or persons 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 non-metropolitan median family income. In all instances, the area median family incomes used to measure individual income levels are updated annually by HUD.

LMI Penetration Rate

A number that represents the percentage of a bank's total loans (for a particular product) that was extended to LMI geographies or borrowers. For example, an LMI penetration rate of 20% would indicate that the bank made 20 out of a total of 100 loans in LMI geographies or to LMI borrowers.

Low-Income Housing Tax Credit (LIHTC)

A dollar for dollar tax credit for affordable housing, created under the Tax Reform Act of 1986, that provides incentives to invest in projects for the utilization of private equity in the development of affordable housing aimed at low income Americans. It is also more commonly called Section 42 credits in reference to the applicable section of the IRC. The tax credits are more attractive than tax deductions as they provide a dollar for dollar reduction in a taxpayer's federal income tax. It is more commonly attractive to corporations since the passive loss rules and similar tax changes greatly reduced the value of tax credits and deductions to individual taxpayers.

New Markets Tax Credit (NMTC)

The New Markets Tax Credits (NMTC) Program was established by Congress in December 2000 to stimulate economic and community development and job creation in low-income communities. It permits individual and corporate taxpayers to receive a credit against federal income taxes for making qualified equity investments in Community Development Entities (CDEs). The credit provided to the investor totals 39% of the cost of the investment and is claimed over a 7-year period. CDEs must use substantially all of the taxpayer's investments to make qualified investments in low-income communities. The Fund is administered by the US Treasury Department's Community Development Financial Institutions Fund (CDFI).

Qualified Investment

A lawful investment, deposit, membership share or grant that has community development as its *primary purpose*. 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.

NEW YORK STATE
DEPARTMENT OF FINANCIAL SERVICES
FINANCIAL FRAUDS AND CONSUMER PROTECTION DIVISION

One State Street
New York, NY 10004

PUBLIC SUMMARY

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Date of Evaluation: June 30, 2016

Institution: Adirondack Trust Company
473 Broadway, Saratoga
Saratoga Springs, NY 12866

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 Department of Financial Services concerning the safety and soundness of this financial institution.

TABLE OF CONTENTS

GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act ("CRA") performance of Adirondack Trust Company ("ATC") prepared by the New York State Department of Financial Services ("DFS" or the "Department"). This evaluation represents the Department's current assessment and rating of the institution's CRA performance based on an evaluation conducted as of June 30, 2016.

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

Part 76 of the General Regulations of the Superintendent implements Section 28-b and further requires that the 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 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 in 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 ("Evaluation") be made available to the public. Evaluations of banking institutions are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Sections 76.8 through 76.13. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York Banking Law.

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

OVERVIEW OF INSTITUTION'S PERFORMANCE

DFS evaluated ATC according to the intermediate small bank performance criteria pursuant to Part 76.7 and Part 76.12 of the General Regulations of the Superintendent ("GRS"). The evaluation period included calendar years 2013, 2014, 2015 and the first six months of 2016 (June 30, 2016). ATC is rated "2," indicating a "Satisfactory" record of helping to meet community credit needs.

The rating is based on the following factors:

Lending Test: "Satisfactory"

Loan-to-Deposit ("LTD") Ratio: "Satisfactory"

ATC's average LTD ratio was reasonable considering its size, business strategy, financial condition and peer group activity.

ATC's average LTD for the evaluation period was 66.1%. While this was well below its peer group's ratio of 78.1% it was an improvement over ATC's average LTD ratio of 55.9% for the prior evaluation period. ATC's lower LTD ratio is due primarily to its business strategy of selling a high percentage of its originated HMDA-reportable loans to the Federal National Mortgage Association ("FNMA"). Still, ATC's average LTD ratio for the evaluation period was reasonable.

Assessment Area Concentration: "Satisfactory"

During the evaluation period, ATC originated 82.5% by number and 77.8% by dollar value of its HMDA-reportable and small business loans within the assessment area. This majority of lending inside of its assessment area is a reasonable concentration of lending within the assessment area.

Distribution by Borrower Characteristics: "Satisfactory"

ATC's small business and HMDA-Reportable loans demonstrated a reasonable distribution of loans among businesses of different revenue sizes and individuals of different income levels. The rating reflects the equal weight given to small business and HMDA lending.

ATC's small business lending to businesses with annual revenue of $1 million or less was excellent for the evaluation period and well above the aggregate's rate. However, ATC's HMDA-reportable rate of lending to LMI borrowers for the evaluation period was less than adequate as its rate was well below the aggregate's rate.

Geographic Distribution of Loans: "Satisfactory"

ATC's origination of loans in census tracts of varying income levels demonstrated a reasonable distribution of lending. ATC's assessment area contains 43 census tracts of which six are moderate-income and none are low-income census tracts.

Action Taken in Response to Written Complaints with Respect to CRA: "Not Rated"

Neither DFS nor ATC received any written complaints during the evaluation period regarding ATC's CRA performance.

Community Development Test: "Outstanding"

ATC's community development performance demonstrated excellent responsiveness to the community development needs of its assessment area through community development loans, investments and services, considering ATC's capacity and the need for and availability of such opportunities for community development in its assessment area.

Community Development Lending: "Outstanding"

During the evaluation period, ATC originated $23.7 million in new community development loans, and had $11.4 million outstanding from prior evaluation periods, for a total of $35.1 million in community development loans. This demonstrated an excellent level of community development lending during the evaluation period.

Community Development Qualified Investments: "Satisfactory"

During the evaluation period, ATC made $4.6 million in new community development investments, and had $499,729 outstanding from prior evaluation periods. In addition, ATC made a total of $405,957 in community development grants. This demonstrated a reasonable level of community development investments during the evaluation period.

Community Development Services: "Outstanding"

ATC demonstrated an excellent level of community development services during the evaluation period.

ATC's management and employees continue to be very active, as many serve on boards or committees of various entrepreneurial, nonprofit, civic and charitable organizations providing financial expertise and guidance.

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

PERFORMANCE CONTEXT

Institution Profile

Adirondack Trust Company ("ATC"), founded in 1901, is a state chartered commercial bank located in Saratoga Springs, New York. ATC has two affiliates Adirondack Trust Company Financial Services, Inc, an insurance agency offering a full line of insurance products for consumers and businesses and Adirondack R.E.I.T., Inc. a real estate investment trust that holds quality first residential and commercial mortgages.

ATC offers many of the traditional banking services and products, which include personal and business checking and savings accounts, consumer loans and residential mortgage loans as well as commercial loans and commercial mortgage loans. In addition, ATC offers online banking, bill-pay, investment and trust services including retirement planning as well as insurance products through its affiliate insurance agency.

Per the Consolidated Report of Condition (the Call Report) as of June 30, 2016, filed with the Federal Deposit Insurance Corporation ("FDIC"), ATC reported total assets of $1.1 billion of which $693 million were net loans and lease financing receivables. Total assets have increased 5.9% from the prior December 31, 2012 examination. The bank also reported total deposits of $939 million, resulting in a loan-to-deposit ratio of 66.1% as of June 30, 2016. According to the latest available comparative deposit data as of June 30, 2015, ATC had a deposit market share of 16.1%, or $893.3 million in a market of $5.6 billion, ranking it 2nd among 18 deposit-taking institutions in Saratoga and Warren counties.

The following is a summary of ATC's loan portfolio, based on Schedule RC-C Call report of the bank's December 31, 2013, 2014, 2015 and first six months of 2016.

TOTAL GROSS LOANS OUTSTANDING								
	2013		2014		2015		2016	
Loan Type	$000's	%	$000's	%	$000's	%	$000's	%
1-4 Family Residential Mortgage Loans	171,145	30.1	170,285	27.3	171,834	26.8	184,443	26.2
Commercial & Industrial Loans	68,051	12.0	66,553	10.7	63,870	10.0	76,226	10.8
Commercial Mortgage Loans	226,461	39.9	245,022	39.3	249,346	38.9	257,098	36.5
Multifamily Mortgages	8,988	1.6	9,095	1.5	11,083	1.7	10,492	1.5
Consumer Loans	57,769	10.2	94,176	15.1	96,707	15.1	115,693	16.4
Construction Loans	22,666	4.0	26,838	4.3	36,920	5.8	49,408	7.0
Obligations of States & Municipalities	8,987	1.6	8,227	1.3	7,497	1.2	7,059	1.0
Other Loans	3,913	0.7	3,595	0.6	3,376	0.5	3,264	0.5
Total Gross Loans	567,980		623,791		640,633		703,683	

As illustrated in the above table, ATC is primarily a commercial lender, with 36.5% of its loan portfolio in commercial mortgage loans and 10.8% in commercial and industrial loans. While 1-4 family residential mortgage loans and consumer loans totaled 26.2% and 16.4%, respectively.

ATC operates 12 full-service banking offices in the capital district region of New York. Ten of its offices are in Saratoga County and two are in Warren County. None of ATC's offices are in low- or moderate-income census tracts. Supplementing the banking offices is an automated teller machine ("ATM") network consisting of 24 machines of which 14 are located at the banking offices with at least one at each office and are available 24 hours a day. The remaining 10 ATMs are off-site at various locations.

Examiners did not find evidence of financial or legal impediments that had an adverse impact on ATC's ability to meet the credit needs of its community.

Assessment Area

ATC's assessment area is comprised of portions of Saratoga County and Warren County. There are 43 census tracts in the area; of which none are low-income, six are moderate-income, 28 are middle-income, eight are upper-income and one tract with no income indicated.

Assessment Area Census Tracts by Income Level

County	N/A	Low	Mod	Middle	Upper	Total	LMI %
Saratoga*	1	0	4	21	4	30	13.3%
Warren*	0	0	2	7	4	13	15.4%
Total	1	0	6	28	8	43	14.0

**Partial county*

Demographic & Economic Data

The assessment area had a population of 188,616 during the examination period. About 13.5% of the population were over the age of 65 and 19.5% were under the age of sixteen.

Of the 49,632 families in the assessment area, 17.4% were low-income, 18.4% were moderate-income, 22.4% were middle-income and 41.8% were upper-income families. There were 76,411 households in the assessment area, of which 8.2% had income below the poverty level and 1.7% were on public assistance.

The weighted average median family income in the assessment area was $75,129 and the weighted average FFIEC updated MSA median family income was $77,470.

There were 85,156 housing units within the assessment area, of which 80.4% were one-to-four family units, and 10.6% were multi-family units. A majority (63.2%) of the area's housing units were owner-occupied, while 26.6% were rental units. Of the 53,797 owner-occupied housing units, 6.9% were in moderate-income census tracts (none in low-income census tracts) while 93.1% were in middle- and upper-income census tracts. The median age of the housing stock was 47 years, and the median home value in the assessment area was $212,791.

There were 12,806 non-farm businesses in the assessment area. Of these, 78.4% were businesses with reported revenues of less than or equal to $1 million, 4.8% reported revenues of more than $1 million and 16.7% did not report their revenues. Of all the businesses in the assessment area, 88.7% were businesses with less than fifty employees while 89.1% operated from a single location. The largest industries in the area were services (50.3%), followed by retail trade (15.6%) and construction (8.9%), while 4.0% of businesses in the assessment area were not classified.

According to the New York State Department of Labor, the annual average unemployment rate during the evaluation period for New York State, Saratoga County and Warren County peaked in 2013. During the evaluation period, Warren County's annual average unemployment rates were consistently higher than Saratoga County and New York State's. Saratoga County consistently had the lowest unemployment rates. The steady decline in unemployment rates is indicative of improving economic conditions.

Assessment Area Unemployment Rate			
Year	NYS	Saratoga	Warren
2013	7.7	5.8	8.1
2014	6.3	4.7	6.6
2015	5.3	4.2	5.6
Jan.-June average 2016	4.9	3.9	5.6

Community Information

As a part of the evaluation, examiners conducted an interview with the executive director of a nonprofit organization, which provides veterans facing financial difficulties with both shelter and support not limited to transitional housing for homeless veterans, permanent housing for veterans and their families, employment and training assistance for veterans, rental assistance programs, and mortgage assistance for affordable home ownership. The organization partners with government agencies like Department of Veterans Affairs, the US Department of Housing and Urban Development to accomplish its mission.

The interviewee stressed that the need for more affordable housing continues to be an issue as LMI families and veterans struggle to find affordable housing. Real estate prices and rents in the area have increased partly due to a large global manufacturing and technology company (GlobalFoundaries) establishing itself in the area. Though the company has provided employment for residents, it has also attracted people to the area resulting in an increase in housing prices.

The interviewee noted that banks in the area are responsive to the community and its credit needs; although, some are more responsive than others by providing grants and offering workshops for LMI families and individuals.

PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

DFS evaluated ATC under the intermediate small banking institution's performance standards in accordance with Parts 76.7 and 76.12 of the GRS, which consist of the lending test and the community development test.

The lending test includes:

1. *Loan-to-deposit ratio and other lending-related activities;*
2. *Assessment area concentration;*
3. *Distribution by borrower characteristics;*
4. *Geographic distribution of loans; and*
5. *Action taken in response to written complaints regarding CRA*

The community development test includes:

1. *Community development lending;*
2. *Community development investments;*
3. *Community development services; and*
4. *Responsiveness to community development needs*

DFS also considered the following factors in assessing the bank's record of performance:

1. *The extent of participation by the board of directors or board of trustees in formulating CRA policies and reviewing CRA performance;*
2. *Any practices intended to discourage credit applications,*
3. *Evidence of prohibited discriminatory or other illegal credit practices;*
4. *Record of opening and closing offices and providing services at offices; and*
5. *Process factors, such as activities to ascertain credit needs and the extent of marketing and special credit related programs*

DFS derived statistics employed in this evaluation from various sources. ATC submitted bank-specific information both as part of the examination process and on its Call Report submitted to the FDIC. DFS obtained aggregate lending data from the Federal Financial Institutions Examination Council ("FFIEC") and deposit data from the FDIC. DFS calculated loan-to-deposit ("LTD") ratios from information shown in the Bank's Uniform Bank Performance Report, submitted to the FDIC.

DFS derived the demographic data referred to in this report from the 2010 U.S. Census and the FFIEC. DFS based business data on Dun & Bradstreet reports, which Dun & Bradstreet updates annually. DFS obtained unemployment data from the New York State Department of Labor. Some non-specific bank data are only available on a county-wide basis, and are used even where the institution's assessment area includes partial counties.

The evaluation period included calendar years 2013, 2014, 2015 and the first six months of 2016.

Examiners considered ATC's HMDA-reportable and small business loans originated in

2013, 2014 and 2015 in evaluating factors (2), (3) and (4) of the lending test. Community development activities were considered through June 30, 2016.

Loans made under a Modifications, Extensions and Consolidation Agreement are not required to be reported under HMDA. While ATC offers these type of loans, it elected not to have them considered during this evaluation.

At its **prior** Performance Evaluation, as of December 31, 2012, DFS assigned ATC a rating of "2," reflecting a "Satisfactory" record of helping to meet community credit needs.

Current CRA Rating: "Satisfactory"

Lending Test: "Satisfactory"

ATC's HMDA-reportable and small business lending activities were reasonable considering its business strategy and financial condition, as well as, aggregate, peer group activity, and the demographic characteristics of the assessment area.

Loan-to-Deposit Ratio and other Lending Related Activity: "Satisfactory"

ATC's average LTD ratio was reasonable considering its size, business strategy, financial condition and peer group activity.

ATC's average LTD for the evaluation period was 66.1%. While this was well below its peer group's ratio of 78.1% it was an improvement over ATC's average LTD ratio of 55.9% for the prior evaluation period. ATC's lower LTD ratio is primarily due to its business strategy of selling a high percentage of its HMDA-reportable loans to the Federal National Mortgage Association. Still, ATC's average LTD ratio for the evaluation period was reasonable.

The table below shows ATC's LTD ratios in comparison with the peer group's ratios for the 14 quarters since the prior evaluation.

Loan-to-Deposit Ratios

	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	Avg.
Bank	55.5	60.4	60.4	64.9	65.4	77.0	69.5	67.9	66.5	68.9	64.3	64.6	66.2	73.8	**66.1**
Peer	73.6	75.4	75.5	75.7	75.7	70.3	79.0	79.7	78.9	81.0	81.7	81.9	81.4	83.7	**78.1**

Assessment Area Concentration: "Satisfactory"

During the evaluation period, ATC originated 82.5% by number and 77.8% by dollar value of its HMDA-reportable and small business loans within the assessment area. This majority of lending inside of its assessment area was a reasonable concentration of lending within the assessment area.

HMDA-Reportable Loans:

During the evaluation period, ATC originated 80.5% by number, and 78.6% by dollar value of its HMDA-reportable loans within the assessment area. This majority of lending was a reasonable concentration of lending within the assessment area.

Small Business Loans:

During the evaluation period, ATC originated 84.2% by number and 76.7% by dollar value of its small business loans within the assessment area. This majority of lending was a reasonable concentration of lending within its assessment area.

The following table shows the percentages of ATC's HMDA-reportable and small business loans originated inside and outside of the assessment area

Distribution of Loans Inside and Outside of the Assessment Area										
	Number of Loans					Loans in Dollars (in thousands)				
Loan Type	Inside		Outside		Total	Inside		Outside		Total
	0	%		%			%		%	
HMDA-Reportable										
2013	292	77.0%	87	23.0%	379	59,100	73.3%	21,513	26.7%	80,613
2014	103	81.7%	23	18.3%	126	19,728	79.5%	5,084	20.5%	24,812
2015	124	88.6%	16	11.4%	140	26,505	93.0%	2,002	7.0%	28,507
Subtotal	519	80.5%	126	19.5%	645	105,333	78.6%	28,599	21.4%	133,932
Small Business										
2013	220	83.3%	44	16.7%	264	29,072	76.9%	8,750	23.1%	37,822
2014	199	82.2%	43	17.8%	242	19,851	75.1%	6,578	24.9%	26,429
2015	228	87.0%	34	13.0%	262	23,883	77.8%	6,812	22.2%	30,695
Subtotal	647	84.2%	121	15.8%	768	72,806	76.7%	22,140	23.3%	94,946
Grand Total	1,166	82.5%	247	17.5%	1,413	178,139	77.8%	50,739	22.2%	228,878

Distribution by Borrower Characteristics "Satisfactory"

ATC's HMDA-Reportable and small business loans demonstrated a reasonable distribution of loans among individuals of different income levels and businesses of different revenue sizes. The rating reflects the equal weight given to small business and HMDA lending.

ATC's small business lending to businesses with annual revenue of $1 million or less was excellent for the evaluation period and well above the aggregate's rate. However, ATC's HMDA-reportable rates of lending to LMI borrowers for the evaluation period was less than adequate as it was well below the aggregate's rates of lending.

HMDA-Reportable Loans:

ATC's HMDA-reportable lending demonstrated a less than adequate distribution of loans among borrowers of different income levels.

ATC's rates of lending to LMI borrowers of 16.9% by number and 9.8% by dollar value of loans during the evaluation period, were well below the aggregate's rates of 24.6% and 16.4%, respectively.

ATC's and the aggregate's rates of lending to low-income borrowers was well below the percentage of low-income families (family demographics) living in the assessment area. While this may be explained by the ratio of the median housing value in the assessment area of $212,791 to the estimated median income for low-income families of $38,735 (based on the weighted average FFIEC MSA updated median family income of the assessment area of $77,470), which may make it difficult for low-income families to qualify for a mortgage. It does not explain ATC's performance for lending to moderate-income borrowers when compared to the aggregate and family demographics. ATC's lending rates to moderate-income borrowers for the evaluation period were 13.0% by number and 8.3% by dollar value of loans while the aggregate's rates were 19.0% and 13.8%, respectively. Furthermore, the aggregate's rates were comparable to the 18.4% of moderate-income families living in the assessment area while ATC's rates compared unfavorably.

In December 2015, ATC began to participate in the Federal National Mortgage Association's ("FNMA") HomeReady program. The program is designed for creditworthy low- to moderate-income borrowers, with expanded eligibility for financing homes in designated low-income communities. The program offers more flexible underwriting guidelines, which include a low-down payment, flexible sources of funds and affordable and cancellable mortgage insurance.

The following table provides a summary of the distribution of HMDA-reportable lending by borrower income.

Distribution of 1-4 Family Loans by Borrower Income									
2013									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	$000's	%	#	%	$000's	%	%
Low	9	3.1%	918	1.6%	265	5.2%	23,189	2.4%	17.4%
Moderate	40	13.9%	5,199	8.9%	931	18.2%	129,512	13.3%	18.4%
LMI	49	17.0%	6,117	10.4%	1,196	23.4%	152,701	15.7%	35.8%
Middle	67	23.3%	10,950	18.7%	1,386	27.1%	236,803	24.4%	22.4%
Upper	160	55.6%	38,295	65.3%	2,332	45.5%	540,299	55.7%	41.8%
Unknown	12	4.2%	3,240	5.5%	208	4.1%	40,372	4.2%	0.0%
Total	**288**		**58,602**		**5,122**		**970,175**		
2014									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	$000's	%	#	%	$000's	%	%
Low	4	3.9%	177	0.9%	227	6.4%	21,376	3.1%	17.4%
Moderate	12	11.8%	1,223	6.3%	686	19.2%	94,752	13.9%	18.4%
LMI	16	15.7%	1,400	7.2%	913	25.6%	116,128	17.0%	35.8%
Middle	20	19.6%	3,616	18.6%	938	26.3%	157,730	23.1%	22.4%
Upper	58	56.9%	13,431	69.1%	1,586	44.5%	381,385	55.9%	41.8%
Unknown	8	7.8%	996	5.1%	128	3.6%	26,566	3.9%	0.0%
Total	**102**		**19,443**		**3,565**		**681,809**		
2015									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	$000's	%	#	%	$000's	%	%
Low	7	5.9%	440	2.1%	229	5.5%	20,857	2.4%	17.4%
Moderate	14	11.8%	1,800	8.4%	816	19.7%	121,644	14.1%	18.4%
LMI	21	17.6%	2,240	10.5%	1,045	25.2%	142,501	16.6%	35.8%
Middle	25	21.0%	3,256	15.2%	1,034	25.0%	183,573	21.3%	22.4%
Upper	61	51.3%	13,870	64.8%	1,842	44.5%	475,197	55.2%	41.8%
Unknown	12	10.1%	2,034	9.5%	220	5.3%	59,551	6.9%	0.0%
Total	**119**		**21,400**		**4,141**		**860,822**		
GRAND TOTAL									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	$000's	%	#	%	$000's	%	%
Low	20	3.9%	1,535	1.5%	721	5.6%	65,422	2.6%	
Moderate	66	13.0%	8,222	8.3%	2,433	19.0%	345,908	13.8%	
LMI	86	16.9%	9,757	9.8%	3,154	24.6%	411,330	16.4%	
Middle	112	22.0%	17,822	17.9%	3,358	26.2%	578,106	23.0%	
Upper	279	54.8%	65,596	66.0%	5,760	44.9%	1,396,881	55.6%	
Unknown	32	6.3%	6,270	6.3%	556	4.3%	126,489	5.0%	
Total	**509**		**99,445**		**12,828**		**$2,512,806**		

Small Business Loans:

ATC's small business lending demonstrated an excellent distribution of loans among businesses of different revenue sizes.

During the evaluation period, ATC originated 60.1% by number and 53.9% by dollar value of its small business loans to businesses with annual revenue of $1 million or less, well above its aggregate's lending rates of 43.8% and 32.3%, respectively. In addition, ATC rates of lending were comparable to the percent of businesses in the assessment area with annual revenue of $1 million or less.

In September 2014, ATC was recognized as the top SBA active large community bank lender (banks with assets from $1-$10 billion) in the capital region. ATC approved 29 SBA-backed loans totaling over $1.8 million for startups and existing small businesses. Prior to 2014, ATC had been named the top active small community bank lender by the SBA for 13 straight years.

The following table provides a summary of the distribution of ATC's small business loans by the revenue size of the business.

Distribution of Small Business Lending by Revenue Size of Business									
2013									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	116	52.7%	15,066	51.8%	1,149	45.0%	41,517	31.6%	74.5%
Rev. > $1MM	60	27.3%	9,705	33.4%					4.3%
Rev. Unknown	44	20.0%	4,301	14.8%					21.2%
Total	**220**		**29,072**		**2,554**		**131,230**		
2014									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	121	60.8%	12,151	61.2%	1,185	39.6%	39,669	30.4%	74.0%
Rev. > $1MM	53	26.6%	6,373	32.1%					4.7%
Rev. Unknown	25	12.6%	1,327	6.7%					21.3%
Total	**199**		**19,851**		**2,996**		**130,358**		
2015									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	152	66.7%	12,022	50.3%	1,411	47.0%	46,502	34.8%	78.4%
Rev. > $1MM	51	22.4%	8,259	34.6%					4.8%
Rev. Unknown	25	11.0%	3,602	15.1%					16.7%
Total	**228**		**23,883**		**3,003**		**133,788**		
GRAND TOTAL									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	389	60.1%	39,239	53.9%	3,745	43.8%	127,688	32.3%	
Rev. > $1MM	164	25.3%	24,337	33.4%					
Rev. Unknown	94	14.5%	9,230	12.7%					
Total	**647**		**72,806**		**8,553**		**395,376**		

Geographic Distribution of Loans: "Satisfactory"

ATC's origination of loans in census tracts of varying income levels demonstrated a reasonable distribution of lending. ATC's assessment area contains 43 census tracts of which none are low-income and six are moderate-income census tracts.

HMDA-Reportable Loans:

The distribution of ATC's HMDA-reportable loans among census tracts of different income levels was reasonable.

ATC originated 2.5% by number and 1.6% of dollar value of its loans in moderate-income census tracts during the evaluation period, which was comparable to its aggregate's rate of lending of 2.8% and 1.7%, respectively. ATC's rate of lending in moderate-income census tracts improved every year of the evaluation period. Still, ATC's and the aggregate's rate of lending in moderate-income census tracts trailed the percentage of owner-occupied housing located in moderate-income census tracts.

The following table provides a summary of the distribution of ATC's HMDA-reportable loans by the income level of the geography where the property was located.

Distribution of HMDA Reportable Lending by Geographic Income of the Census Tract									
2013									
Geographic	Bank				Aggregate				OO HUs
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	1	0.3%	6	0.0%	0.0%
Moderate	5	1.7%	742	1.3%	7	1.8%	1,077	1.3%	6.9%
LMI	5	1.7%	742	1.3%	8	2.1%	1,083	1.3%	6.9%
Middle	179	61.3%	32,311	54.7%	218	57.5%	41,016	50.9%	71.1%
Upper	108	37.0%	26,047	44.1%	153	40.4%	38,514	47.8%	22.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Total	**292**		**59,100**		**379**		**80,613**		
2014									
Geographic	Bank				Aggregate				OO HUs
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Moderate	3	2.9%	365	1.9%	4	3.2%	515	2.1%	6.9%
LMI	3	2.9%	365	1.9%	4	3.2%	515	2.1%	6.9%
Middle	66	64.1%	11,418	57.9%	79	62.7%	13,869	55.9%	71.1%
Upper	34	33.0%	7,945	40.3%	43	34.1%	10,428	42.0%	22.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Total	**103**		**19,728**		**126**		**24,812**		
2015									
Geographic	Bank				Aggregate				OO HUs
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Moderate	5	4.0%	623	2.4%	6	4.3%	743	2.6%	6.9%
LMI	5	4.0%	623	2.4%	6	4.3%	743	2.6%	6.9%
Middle	81	65.3%	15,986	60.3%	93	66.4%	17,641	61.9%	71.1%
Upper	38	30.6%	9,896	37.3%	41	29.3%	10,123	35.5%	22.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Total	**124**		**26,505**		**140**		**28,507**		
GRAND TOTAL									
Geographic	Bank				Aggregate				OO HUs
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	1	0.2%	6	0.0%	
Moderate	13	2.5%	1,730	1.6%	17	2.6%	2,335	1.7%	
LMI	13	2.5%	1,730	1.6%	18	2.8%	2341	1.7%	
Middle	326	62.8%	59,715	56.7%	390	60.5%	72,526	54.2%	
Upper	180	34.7%	43,888	41.7%	237	36.7%	59,065	44.1%	
Unknown	-	0.0%	-	0.0%	0	0.0%	0	0.0%	
Total	**519**		**105,333**		**645**		**$133,932**		

Small Business Loans:

The distribution of ATC's small business loans among census tracts of varying income level was reasonable.

ATC's rate of lending in moderate-income census tracts for the evaluation period of 7.4% by number of loans and 4.3% by dollar value of loans were comparable to its aggregate's rates of 7.4% and 6.5%, respectively. While ATC's rate of lending trailed the aggregate in 2013 and 2014 it exceeded the aggregate by number of loans in 2015.

ATC and the aggregate's rate of lending was just below the business demographics in moderate-income census tracts; however, ATC's rate of lending by number of loans exceeded the business demographics in 2015.

The following table provides a summary of the distribution of ATC's small business loans by the income level of the geography where the business is located.

Distribution of Small Business Lending by Geographic Income of the Census Tract

2013

Geographic	Bank				Aggregate				Bus.Dem.
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Moderate	15	6.8%	1,007	3.5%	207	8.1%	10,398	7.9%	8.8%
LMI	15	6.8%	1,007	3.5%	207	8.1%	10,398	7.9%	8.8%
Middle	170	77.3%	24,151	83.1%	1,819	71.2%	95,388	72.7%	71.6%
Upper	35	15.9%	3,914	13.5%	528	20.7%	25,444	19.4%	19.7%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.6%
Total	**220**		**29,072**		**2,554**		**131,230**		

2014

Geographic	Bank				Aggregate				Bus.Dem.
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Moderate	11	5.5%	677	3.4%	212	7.1%	7,262	5.6%	8.6%
LMI	11	5.5%	677	3.4%	212	7.1%	7,262	5.6%	8.6%
Middle	144	72.4%	13,589	68.5%	2,178	72.7%	105,234	80.7%	72.4%
Upper	44	22.1%	5,585	28.1%	605	20.2%	17,832	13.7%	19.0%
Unknown	0	0.0%	0	0.0%	1	0.0%	30	0.0%	0.2%
Total	**199**		**19,851**		**2,996**		**130,358**		

2015

Geographic	Bank				Aggregate				Bus.Dem.
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Moderate	22	9.6%	1,417	5.9%	216	7.2%	8,102	6.1%	8.3%
LMI	22	9.6%	1,417	5.9%	216	7.2%	8,102	6.1%	8.3%
Middle	164	71.9%	17,182	71.9%	2,186	72.8%	101,126	75.6%	72.7%
Upper	42	18.4%	5,284	22.1%	601	20.0%	24,560	18.4%	19.0%
Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0.0%
Total	**228**		**23,883**		**3,003**		**133,788**		

Grand Total

Geographic	Bank				Aggregate				Bus.Dem.
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	0	0.0%	0	0.0%	
Moderate	48	7.4%	3,101	4.3%	635	7.4%	25,762	6.5%	
LMI	48	7.4%	3,101	4.3%	635	7.4%	25,762	6.5%	
Middle	478	73.9%	54,922	75.4%	6,183	72.3%	301,748	76.3%	
Upper	121	18.7%	14,783	20.3%	1,734	20.3%	67,836	17.2%	
Unknown	-	0.0%	-	0.0%	1	0.0%	30	0.0%	
Total	**647**		**72,806**		**8,553**		**395,376**		

Action Taken in Response to Written Complaints with Respect to CRA: "Not Rated"

Neither DFS nor ATC received any written complaints during the evaluation period regarding ATC's CRA performance.

Community Development Test: "Outstanding"

ATC's community development performance demonstrated excellent responsiveness to the community development needs of its assessment area through community development loans, investments and services, considering ATC's capacity and the need and availability of opportunities for community development in its assessment area.

During the evaluation period, ATC originated $23.7 million in new community development loans, and still had $11.4 million outstanding from prior evaluation periods. ATC made $4.6 million in new community development investments and had $0.5 million outstanding from prior evaluation periods. ATC also made $0.4 million in community development grants.

Community Development Lending: "Outstanding"

During the evaluation period, ATC originated $23.7 million in new community development loans, and had $11.4 million outstanding from prior evaluation periods, for a total of $35.1 million in community development loans. This demonstrated an excellent level of community development lending over the course of the evaluation period.

ATC's annualized ratio of community development loans to average assets totaled 1.0% for the current evaluation period. Community contacts identified affordable housing and community services as vital needs within the community. Affordable housing and community services make up 42.4% and 32.1%, respectively, of ATC's community development loans.

Community Development Loans				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
Purpose	# of Loans	$000	# of Loans	$000
Affordable Housing	12	10,825	10	$4,047
Economic Development	0	0	1	$2
Community Services	11	7,436	8	$3,846
Other (Please Specify)	16	5,463	4	$3,493
Total	39	23,724	23	$11,388

Below are highlights of ATC's community development lending.

Affordable housing

- In 2014, ATC originated a $225 thousand multifamily mortgage loan for a six-unit apartment building located in a moderate-income census tract in Warren County. The building was acquired in foreclosure and renovated to provide affordable housing to low- and moderate-income families. All six units were rented at rates below the 2014 HUD fair market rent guidelines for Warren County.

Community Services

- In 2014, ATC made a $150 thousand commercial mortgage loan for an office building used as headquarters for a nonprofit organization. The property is in a moderate-income census tract in Glens Falls, NY. The organization offers programs and services that provide financial assistance to children, individuals and families to help them through an unexpected job loss, accident or long illness.

Revitalize and Stabilize

- In 2013, ATC extended $1.7 million, to a not-for-profit community hospital, as a participation in a $5 million commercial mortgage loan with other local financial institutions. The hospital is the largest employer in the region with over 3,000 employees and provides health care within the communities of Warren, Washington, Essex, Rensselaer, Hamilton and northern Saratoga counties, which include distressed or underserved middle income geographies.

Community Development Investments: "Satisfactory"

During the evaluation period, ATC made $4.6 million in new community development investments, and had $499,729 outstanding from prior evaluation periods. In addition, ATC made a total of $405,957 in community development grants. This demonstrated a reasonable level of community development investments over the course of the evaluation period.

Community development investments decreased by 64.4% or $9.2 million from the prior period, while grants increased by 38.1% or $112,000. Management attributed the decline in community development investments to less municipal bonds issuance by local municipalities as well as less investment opportunities in the assessment area during the evaluation period.

ATC, made a total of 298 qualified community development grants in the amount of $405,957 during the evaluation period. Most of ATC's grants supported community services that assisted low- and moderate-income individuals in the assessment area; however, it also made some grants to organizations in Schenectady and Albany counties which are adjacent to Saratoga County.

Community Development Investments and Grants				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
CD Investments	# of Inv.	$000	# of Inv.	$000
Affordable Housing				
Economic Development				
Community Services				
Revitalize/Stabilize	7	$ 4,584	1	500
Total	7	$ 4,584	1	500
CD Grants	# of Grants	$000	Not Applicable	
Affordable Housing	16	$ 19		
Economic Development				
Community Services	270	$ 357		
Revitalize/Stabilize	12	$ 30		
Total	298	$ 406		

Below are highlights of ATC's community development investments and grants.

Investments

- In 2013, ATC invested in a $1.5 million bond anticipation note issued by a local village. ATC renewed the bond in 2014 for a total community development investment of $3.0 million. The funds were used to finance the cost of improvements to the village's water facilities. The village is adjacent to two moderate-income census tracts within the assessment area.

- ATC invested in five bonds totaling $1.6 million during the evaluation period. The bonds were issued by three local school districts, of which two are in moderate-income census tracts and the other is adjacent to a moderate-income census tract. The funds were used to finance the purchase of school buses and a bus garage and for various other projects.

Grants

- The bank issued 14 grants for a total amount of $10,995 to a local economic opportunity council. The council's mission is to promote opportunities targeted to low- and moderate-income individuals and families. Services and programs offered include lunch programs, emergency food pantry, rural food delivery, energy services and wheels for work.

- ATC, during the evaluation period, made several grants totaling $33,175 to a non-profit organization supporting people with intellectual, developmental, and other disabilities. A majority of the organization's revenue comes from services certified by New York State and funded by Medicaid.

- In 2014, ATC made a $50,000 grant to a local community health center in the assessment area. The center provides quality and affordable healthcare to individuals and families who could not afford or do not have any health insurance.

Community Development Services: "Outstanding"

ATC demonstrated an excellent level of community development services over the course of the evaluation period.

ATC management and employees were very active in the community with more than 100 qualified community development services during the current evaluation period. Bank personnel actively provide financial expertise or guidance as board or committee members of various organizations that promote affordable housing, community services and economic development in the assessment area. Examples of these community services are as follows:

- A senior vice president of ATC serves as treasurer and is a board member of a nonprofit organization. The organization provides housing to low- or moderate-income individuals or families and serves the City of Saratoga Springs.

- An assistant vice president of the bank serves as a board member and treasurer of a nonprofit organization that provides affordable housing, clothing (through donations), food (from its food pantry) and other programs and services to LMI individuals and families in the Saratoga area.

Innovativeness of Community Development Investments:

ATC did not use innovative investments to support community development.

Responsiveness to Community Development Needs:

ATC demonstrated a reasonable level of responsiveness to credit and community development needs.

Additional Factors

The extent of participation by the banking institution's Board of Directors or Board of Trustees in formulating the banking institution's policies and reviewing its performance with respect to the purposes of the CRA.

The bank's CRA Committee meets quarterly and members include senior management, the CRA officer, and vice presidents in commercial lending and compliance. The committee discuss CRA strategies to improve performance as well as providing additional training to commercial loan officers to improve identification of community development loans. The bank also performs periodic CRA self-assessments to assess its CRA performance.

Discrimination and other illegal practices

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

  DFS examiners did not note evidence of practices by ATC intended to discourage applications for the types of credit offered by ATC.

- *Evidence of prohibited discriminatory or other illegal credit practices.*

  DFS examiners did not note evidence by ATC of prohibited discriminatory or other illegal practices.

Record of opening and closing offices and providing services at offices

On February 14, 2013 ATC opened the Exit 11 branch located at 322 Ruhle Road in Ballston Lake, NY, a middle-income census tract. ATC did not close any branch office during the evaluation period.

ATC's branch office hours are reasonable. Most branches offer lobby hours Monday through Friday from 9:00am to 3:00pm with extended hours on Thursday and Friday until 6:00pm. All branches except the Glen Falls branch offer some Saturday hours either from 9:00am to 1:00pm or 3:00pm. Ten of the branches also offer drive-thru service hours Monday through Friday from 7:30am to 3:00pm and extended hours on Thursday and Friday until 6:00 pm or 7:00pm. Drive-thru hours are also offered on Saturday from 9:00am to 1:00pm or 3:00pm.

ATC's branch network is supported by 24 automated teller machines (ATM's) of which 14 ATM's are in the 12 branch offices and the other ATM's are located one each (unless otherwise noted) at the following locations: Marion Avenue Kiosk, Skidmore College, Saratoga Hospital, Saratoga National Golf Club, our Milton Center Plaza Kiosk, Saratoga West Avenue YMCA, the Saratoga Springs Public Library located on Henry Street, Downstreet Marketplace (lower level), National Museum of Racing and Wilton Mall and two machines at Wesley Health Care Center.

Customers have access to their accounts and many of the banking products either through the 12 banking offices, WebWi$e Banking (ATC's on-line banking service) or the 24 ATM's. ATC also offers its customers access to their accounts nationally through the NYCE and PLUS networks.

Distribution of Branches within the Assessment Area							
County	N/A	Low	Moderate	Middle	Upper	Total	LMI
	#	#	#	#	#	#	%
*Saratoga	0	0	0	9	1	10	0%
*Warren	0	0	0	2	0	2	0%
Total	**0**	**0**	**0**	**11**	**1**	**12**	**0%**

*Partial County

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.*

  Members of the board, senior management and employees are active members of various civic, nonprofit, community-based organizations. Management, through interactions with these organizations as well as real estate brokers, developers and contractors, ascertains the credit needs of the community.

- *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*

  ATC markets its products and services primarily through newspaper and radio advertisements and advertises and markets in ethnically diverse media.

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

- ATC continues its partnerships with the New York Business Development Corporation ("NYBDC") in the SBA 504 program. The corporation promotes economic development by providing loans with flexible term to small businesses that may otherwise not meet requirements for financing.
- ATC maintains a partnership with schools and colleges serving the areas of Saratoga and Warren counties. Programs offered provide education and skills on personal finance and budgeting.
- ATC provides its computer and servicing capabilities, at no cost, to the city of Saratoga Springs, Office of Community Development for loan programs to increase affordable housing.

- ATC allows community groups to use the meeting room located in the Mabee Building. During the evaluation period the following groups have used the room: Saratoga 150 Committee, ATC Community Fund, Sustainable Saratoga, Saratoga Center for the Family, Saratoga Hospital Foundation, Women in Business, Shelters of Saratoga, Wellspring (f/k/a Domestic Violence and Rape Crisis Services of Saratoga County), Saratoga Convention & Tourism

- ATC provides no charge free checking accounts to many nonprofit or not-for-profit organizations located within the assessment area. Organizations include: Franklin Community Center, American Camping, Saratoga Affordable Housing Inc., Cub Scout Pack 2, Gold Wing Riders, I.B.E.W. Local 179, Center for Hope, Masonic Hall Association, Saratoga Job Fair and United Methodist Church.

- In 2009, the bank established the ATC Community Fund an independent charitable organization. The bank serves as the Trustee and Administrator of the Fund, which has an independent advisory committee comprised of individuals from the community. The fund makes donations to local community organizations.

GLOSSARY

Aggregate Penetration Rate

The number of loans originated and purchased by all reporting lenders in specified categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the assessment area.

Community Development

"Community development":

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.

Community Development Loan

A loan that has 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.

Community Development Service

Service that has community development as its *primary purpose*, 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.

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 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.

Income Level

The income level for borrowers is based on household or family income. A geography's income is categorized by median family income for the geography. In both cases, the income is compared to the MSA or statewide nonmetropolitan median income.

Income level of individual or geography	% of the area median income
Low-income	Less than 50
Moderate-income	At least 50 and less than 80
Middle-income	At least 80 and less than 120
Upper-income	120 or more

Small Business Loan

A small business loan is a loan less than or equal to $1 million.

Low or Moderate Income ("LMI") Geographies

Those census tracts or block numbering areas where, according to the 2000 U.S. 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 non-metropolitan 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 cases 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 non-metropolitan 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

Individuals or persons 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 non-metropolitan median family income. In all instances, the area median family incomes used to measure individual income levels are updated annually by HUD.

LMI Penetration Rate

A number that represents the percentage of a bank's total loans (for a particular product) that was extended to LMI geographies or borrowers. For example, an LMI penetration rate of 20% would indicate that the bank made 20 out of a total of 100 loans in LMI geographies or to LMI borrowers.

Low-Income Housing Tax Credit (LIHTC)

A dollar for dollar tax credit for affordable housing, created under the Tax Reform Act of 1986, that provides incentives to invest in projects for the utilization of private equity in the development of affordable housing aimed at low income Americans. It is also more commonly called Section 42 credits in reference to the applicable section of the IRC. The tax credits are more attractive than tax deductions as they provide a dollar for dollar reduction in a taxpayer's federal income tax. It is more commonly attractive to corporations since the passive loss rules and similar tax changes greatly reduced the value of tax credits and deductions to individual taxpayers.

New Markets Tax Credit (NMTC)

The New Markets Tax Credits (NMTC) Program was established by Congress in December 2000 to stimulate economic and community development and job creation in low-income communities. It permits individual and corporate taxpayers to receive a credit against federal income taxes for making qualified equity investments in Community Development Entities (CDEs). The credit provided to the investor totals 39% of the cost of the investment and is claimed over a 7-year period. CDEs must use substantially all of the taxpayer's investments to make qualified investments in low-income communities. The Fund is administered by the US Treasury Department's Community Development Financial Institutions Fund (CDFI).

Qualified Investment

A lawful investment, deposit, membership share or grant that has community development as its *primary purpose*. 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.

The Adirondack Trust Company

Policies and Procedures Summary

Community Reinvestment Act Statement

Summary:

The bank's annual Community Reinvestment Act Statement provides a snapshot of the key components that are considered by the regulatory agencies in assessing our record in meeting the credit needs of our community, including low- and moderate- income neighborhoods. Our statement includes:

- A listing of the locations and hours of our branches and/or ATMs
- An overview of all our products and services
- Examples of community involvement in the various not for profits and service organizations generally located in our community
- Key events for the year that had significant impact on the bank or in which we played a key role

Items of Note

- In 2025, the bank received a Satisfactory CRA rating from the Federal Reserve Bank of NY and is part of the bank's CRA Public File, which is available at any branch and on our public website.

THE ADIRONDACK TRUST COMPANY

COMMUNITY REINVESTMENT ACT (CRA)

STATEMENT 2025

COMMUNITY DELINEATION:

The Adirondack Trust Company ("**ATC**") is a $1.78 billion dollar bank that has been in continuous operation since opening in 1902. ATC is open for business at its Main Office and twelve branch offices at the following locations and hours (as of 12/31/25):

Main Office 473 Broadway Saratoga Springs, NY (Census Tract: 0.610.02)	Lobby	Monday - Thursday Friday Saturday	9:00 AM to 3:00 PM 9:00 AM to 5:00 PM 9:00 AM to 1:00 PM
	Walk-up	Monday –Friday Thursday	7:30 AM to 9:00 AM 3:00 PM to 5:00 PM
	Drive-Thru	Monday-Wednesday Thursday-Friday Saturday	7:30 AM to 3:00 PM 7:30 AM to 5:00 PM 9:00 AM to 1:00 PM
Church Street Office 315 Church Street Saratoga Springs, NY (Census Tract: 0.613.05)	Lobby	Monday - Friday Saturday	11:00 AM to 6:00 PM 9:00 AM to 1:00 PM
	Drive-Thru	Monday - Friday Saturday	11:00 AM to 6:00 PM 9:00 AM to 1:00 PM
Wilton Office 650 Maple Avenue Saratoga Springs, NY (Census Tract:0.607.06)	Lobby	Monday - Friday Saturday	11:00 AM to 6:00 PM 9:00 AM to 1:00 PM
	Drive-Thru	Monday - Friday Saturday	11:00 AM to 6:00 PM 9:00 AM to 1:00 PM
Malta Office 2510 US 9 Ballston Spa, New York (Census Tract:0.619.05)	Lobby	Monday - Wednesday Thursday - Friday Saturday	9:00 AM to 3:00 PM 9:00 AM to 6:00 PM 9:00 AM to 1:00 PM
	Drive-Thru	Monday - Wednesday Thursday - Friday Saturday	8:00 AM to 3:00 PM 8:00 AM to 6:00 PM 9:00 AM to 1:00 PM
Milton Office 162 Northline Road Ballston Spa, New York (Census Tract:0.614.03)	Lobby	Monday - Wednesday Thursday - Friday Saturday	9:00 AM to 3:00 PM 9:00 AM to 6:00 PM 9:00 AM to 1:00 PM
	Drive-Thru	Monday - Wednesday Thursday - Friday Saturday	8:00 AM to 3:00 PM 8:00 AM to 6:00 PM 9:00 AM to 1:00 PM
Exit 15 Office 3017 Route 50 Saratoga Springs, New York (Census Tract:0.607.04)	Lobby	Monday - Wednesday Thursday - Friday Saturday	9:00 AM to 3:00 PM 9:00 AM to 6:00 PM 9:00 AM to 1:00 PM
	Drive-Thu	Monday - Wednesday Thursday - Friday Saturday	8:00 AM to 3:00 PM 8:00 AM to 6:00 PM 9:00 AM to 1:00 PM

Ballston Spa Office 224 Church Avenue (NYS Rte. 50) Ballston Spa, NY (Census Tract:0617.01)	Lobby	Monday - Wednesday Thursday - Friday Saturday	9:00 AM to 3:00 PM 9:00 AM to 6:00 PM 9:00 AM to 1:00 PM
	Drive-Thru	Monday - Wednesday Thursday - Friday Saturday	8:00 AM to 3:00 PM 8:00 AM to 6:00 PM 9:00 AM to 1:00 PM
South Broadway Office 112 South Broadway Saratoga Springs, NY (Census Tract: 0612.02)	Lobby	Monday - Wednesday Thursday - Friday Saturday	9:00 AM to 3:00 PM 9:00 AM to 6:00 PM 9:00 AM to 1:00 PM
	Drive-Thru	Monday - Wednesday Thursday - Friday Saturday	8:00 AM to 3:00 PM 8:00 AM to 6:00 PM 9:00 AM to 1:00 PM
Exit 18 Office 79 Main St. Queensbury, New York (Census Tract: 0708.02)	Lobby	Monday - Wednesday Thursday - Friday Saturday	9:00 AM to 3:00 PM 9:00 AM to 6:00 PM 9:00 AM to 1:00 PM
	Drive-Thru	Monday - Wednesday Thursday - Friday Saturday	8:00 AM to 3:00 PM 8:00 AM to 6:00 PM 9:00 AM to 1:00 PM
Prestwick Chase Office 100 Saratoga Boulevard Saratoga Springs, NY (Census Tract:0606.01)	Lobby	Tuesday and Thursday	10:00AM to 12:30PM
Queensbury Office 376 Bay Road Queensbury, New York (Census Tract:0707.01)	Lobby	Monday - Wednesday Thursday - Friday Saturday	9:00 AM to 3:00 PM 9:00 AM to 6:00 PM 9:00 AM to 1:00 PM
	Drive-Thru	Monday - Wednesday Thursday - Friday Saturday	8:00 AM to 5:00 PM 8:00 AM to 6:00 PM 9:00 AM to 1:00 PM
Exit 11 322 Ruhle Road Ballston Lake, NY (Census Tract:0619.04)	Lobby	Monday - Wednesday Thursday - Friday	9:00 AM to 3:00 PM 9:00 AM to 6:00 PM
	Drive-Thru	Monday - Wednesday Thursday - Friday	8:00 AM to 3:00 PM 8:00 AM to 6:00 PM
Lake George Branch 350 Canada Street. Lake George, NY (Census Tract:0.720.01)	Lobby	Monday – Friday	9:00 AM to 3:00 PM
	Drive-Thru	Monday - Friday	9:00 AM to 3:00 PM

Closed Branches and ATMs

Luther Forest Branch (Census Tract 0619.07)	51 Luther Forest Blvd, Mechanicville, NY 12118	Hours M-F 11AM-6PM	Closed June 28, 2024
Quad Graphics ATM (Census Tract 0619.07)	56 Duplainville Rd Saratoga Springs NY	Private Employer Facility	Closed March 22, 2024

ATC provides 24-hour access to banking services with our online and mobile banking service known as WebWise Banking. WebWise Banking allows our customers to conduct almost all their banking from a personal computer, tablet or smartphone. Using our eStatement service, customers can receive their account statements including check images electronically through WebWise Banking. Opting to receive eStatements can reduce the monthly service charge which is comparable to a lower-cost checking account product. ATC retail customers can open new deposit accounts via their existing WebWise account. In addition, new retail customers to the bank can open accounts via our website: www.adirondacktrust.com. Our mobile banking smartphone app provides most WebWise Banking features, including remote check deposit service.

On ATC's public website and through its WebWise online banking, we provide the following additional services:

- Send/view secure messages including attachments between our customers and Adirondack Trust Company staff
- Pay third party bills via check or electronic payment
- Person- to- Person payments available using Zelle network
- Make ATC loan payments via account transfer from an ATC account or from an account at another financial institution
- Code and categorize transactions via Money Management tool
- View and print canceled checks and deposit slips
- Check balances and pending transactions
- Access to ATC credit card to view history, balances and to make payments
- Review account activity and account history for 30 months (limited to 6 months on mobile app)
- Search account history by check number or amount
- Transfer funds between ATC accounts
- Transfer funds electronically to and from accounts at other financial institutions
- Text Banking available for quick balance, recent transactions, and preset account transfers.
- Aggregate external accounts at other financial institutions for viewing balances and use of spending, budgeting, budgeting alerts and cash flow tools via Money Management
- Issue stop payment orders
- Link to third party website login page for trust wealth management access
- Download account history into Excel spreadsheet, Quicken or QuickBooks software programs
- Connect to Quicken or QuickBooks via Direct Connect or Express Web Connect for automatic history import
- E-Statements including check images
- Remotely deposit checks to ATC checking accounts via mobile app
- Set up account activity alerts
- Submit change of address and change of phone number requests
- Submit check re-orders
- ACH Origination available for approved business customers (Webwise Plus Business Banking only)
- Check Positive Pay available for business customers (Webwise Plus Business Banking only)
- Submit wire transfer requests via web message or wire template
- Set up and manage user access to accounts and all entitled services (Webwise Plus Business Banking only)
- Set up and manage user access for an authorized user (Retail banking only with no access to external money movement features)
- Open sole or joint consumer deposit accounts online
- Online mortgage application allowing customers to buy and/or refinance their mortgage loans.

ATC has many 24-hour automated teller machines at the following locations:

- Fifteen ATM machines at our thirteen banking offices *
- Marion Ave. Kiosk*
- Skidmore College*
- Saratoga Hospital
- Wesley Healthcare Center (2-ATMs)
- Saratoga National Golf Club
- Milton Center Plaza Kiosk*
- Saratoga West Ave. YMCA
- Saratoga Springs Public Library
- Wilton Mall
- ATC Mabee Building office on Church St. (accessible only during office hours)

With our thirteen banking offices, twenty-six automated teller machines (*sixteen that accept deposits), and WebWise Banking, our customers have access to our full line of banking products 24 hours a day. Additional access to accounts is provided nationally through NYCE and PLUS network. There is also accessibility through ATMs that can be found at many local and national brand locations.

ATC is committed to serving the financial needs of the neighborhoods, which encompass the Bank's Assessment Area as delineated on the attached map (**Exhibit A**). The yellow, pink, and green shaded area within the map delineates the income designations of the census tracts.

ATC's Assessment Area, which is northern Saratoga County and southern Warren County, shows the area from which we receive a substantial majority of our deposits and in which we originate a substantial majority of our loans. The establishment of this relevant local community is not intended to disqualify customers because of geographic happenstance.

Most of ATC's Board of directors and officers reside in our banking area and all are dedicated to properly servicing our market area.

DEPOSIT SERVICES OFFERED:

The bank offers traditional savings accounts; various checking accounts including a student checking, and Basic Banking and BankOn checking which are two lower costing alternatives; money market accounts; certificates of deposit; HSA; and IRAs. Below are the services, which fees may apply:

- Account Services
- Debit Card (Offering tap to pay in 2025)
- Checks
- Health Savings Account
- Dynamic Deposit Account Sweep
- Overdraft Services
- Wires

Details regarding fees on the above services are available at each branch location and on the public website.

In addition, ATC provides Free Student Checking designed to help students reach their financial goals and to help them manage their money while developing basic money management skills. ATC also offers two lower cost checking accounts: Basic Banking checking that has no minimum balance requirement, a low monthly fee and 12 free withdrawals; and the BankOn checking account that also has no minimum balance requirement, a low monthly fee and no overdraft fees. The BankOn checking account is certified by the Cities for Financial Empowerment Fund.

The bank also offers the Dynamic Deposit Account Sweep, this service allows customers to designate a second deposit account from which funds are transferred to the checking account incurring said charge in the event of insufficient funds to pay an item. This service is a lower cost alternative to overdraft fees.

CREDIT SERVICES OFFERED:

In accordance with the Bank's Loan Policy, ATC is committed to fulfilling the legitimate credit needs of our assessment area and will welcome applications for sound loans from creditworthy individuals and businesses for the following types of credit:

- Residential mortgage loans (1-4 family, including a First-Time Home Buyer's program)
- Conventional - Fixed Rate Mortgages -Adjustable-Rate Mortgages
  - Bi-Weekly Mortgages
- FNMA Mortgages (terms of 10 to 30 years)
- FNMA RefiNow
- FNMA Home Ready
- United States Department of Agriculture Rural Development loans
- Jumbo mortgage loans (over $806,500)
- Private Mortgage Insurance covered mortgages
- Construction and bridge loans
- Residential / apartment mortgage loans (4 family and over)
- Home improvement loans
- Home rehabilitation loans
- Loans for low-cost housing
- Loans for housing for the elderly
- Home equity loans
- Home equity lines of credit
- Lake George Septic home equity loans
- Second mortgage loans
- Consumer installment loans of all types, including auto loans (new and used), consolidation loans, personal loans, overdraft lines of credit, boat loans, recreation vehicle loans, etc.
- Credit cards (MasterCard Visa)
- Community development loans
- Loans to not-for-profit agencies and organizations
- Loans to municipalities, fire departments, emergency corps and school districts
- Commercial loans of all types, including term loans, time loans, real estate secured loans, lines of credit, business express lines of credit and letters of credit
- Government guaranteed loans through the United States Small Business Administration including the Regular 7A, Cap Lines, 504, and Express loans
- Government assisted loans through the Saratoga Springs Community Development Revolving Loan Fund, Empire State Certified Development Corporation, Greenfield Revolving Loan Fund, IDA Bonds, Job Development Agency, New York Business Development Corporation, New York Energy Research & Development Authority "Energy $mart" Loan Fund, New York Excelsior Linked Deposit Loan Program, New York Rural Development Business Industry Guaranty

Program, Saratoga County IDA, Saratoga Economic Development Corporation, Saratoga Entrepreneurial Fund, State Wide Zone Capital Corporation, and the U.S. Department of Agriculture

- Loans secured by the assignment of savings and other deposit accounts
- Loans secured by the assignment of stocks or bonds
- Loans secured by the assignment of the cash value of life insurance

COMMUNITY NEEDS AND SERVICES:

ATC, with its directors, officers, and staff, makes substantial efforts daily to ascertain the credit needs of specific segments of our local community, including low to moderate-income neighborhoods. As a community bank, we have identified a primary geographic market in order to ascertain those credit needs. The fact that most of ATC's directors and officers reside within our market area allows us to further enhance our understanding of the communities' credit needs. Above all, ATC has designed its policies to guide our officers and staff in helping our communities grow and prosper.

An important part of the formula for ATC to ascertain the credit needs of our banking area include the following:

- The Bank continued to participate with organizations, which provided the bank with expanded insight into the credit needs of our community. Bank officers attended various events throughout 2025 that kept the bank visible and engaged. Organizations included: Saratoga County Chamber, Franklin Community Center, Veteran & Community Housing Coalition, Rebuilding Together Saratoga, Pitney Meadows, Glens Falls Hospital Foundation, Saratoga Springs Rotary, Glens Falls YMCA, Saratoga Bridges, Saratoga Hospital Foundation, AIM Services, and Wesley Community. Ribbon cuttings for new business ventures within our community to promote small business entities who are either just starting out or expanding their business model

- On a semi-annual basis, the ATC's Board Mortgage Committee tours various areas within our Assessment Area and reviews properties originated within the preceding 6 months to understand the markets in which we lend.

- Bank officers are in regular contact with real estate brokers, real estate developers and real estate contractors to monitor the credit needs of housing in all income levels, including those of low-to- moderate income.

- Bank officers participate in a wide variety of meetings and seminars to keep up to date with events which affect the market and credit needs of our community.

- The Bank utilizes various demographic material and loan data for the purpose of developing credit products and marketing programs.

- Bank officers have a wide variety of customers and prospect contacts which help us determine the credit needs of our community.

- Bank officers meet with a wide variety of municipal officials, as well as civic, religious, neighborhood, minority and not-for-profit organizations to understand and meet the credit needs of our community.

ATC is also actively involved in a variety of ways with several organizations which have had, and will continue to have, a significant effect on our marketplace including but not limited to:

- Adirondack Regional Chamber of Commerce
- Glens Falls Hospital & Foundation
- AIM Services
- Franklin Community Center
- Lake George Regional Chamber
- Glens Falls YMCA
- National Museum of Racing
- RISE Housing and Support Services
- Saratoga Bridges
- Saratoga County Chamber of Commerce
- Saratoga Center for the Family
- Saratoga Downtown Business Association
- Saratoga Hospital Foundation
- Saratoga Performing Arts Center (SPAC)
- Saratoga Regional YMCA
- Saratoga Springs City Center Authority
- Saratoga Springs Housing Authority
- Saratoga Springs Preservation Foundation
- Saratoga Springs Rotary Club
- Skidmore College
- SUNY Adirondack Foundation
- Universal Preservation Hall
- Wellspring
- Yaddo

In addition to the above, bank personnel have partnered with and been actively involved by providing volunteer assistance and financial expertise to a wide variety of organizations, including the following:

Community Involvement	Position in Organization
Adirondack Trust Community Fund	Chair, President, Treasurer
AIM Services, Inc.	Board of Directors
Alliance180	Board of Directors
Angel Names Association	General Volunteer work, Board member, Treasurer and Volunteer
Arongen Elementary School PTA	Chair of Various Committees and general volunteer
Catholic Charities of Saratoga, Warren & Washington Counties	Board of Directors, Executive Committee, Fundraising Committee
Discover Saratoga	Board of Directors
Estherville Animal Shelter	General Volunteer work
Franklin Community Center	General Volunteer work
Franklin Community Center	Treasurer, Executive Committee, Finance Committee Chair, Development Committee,

	Housing Task Force Chair
Glens Falls Family YMCA (now a division of Saratoga Regional YMCA)	Board of Directors
Glens Falls Hospital Foundation	Board of Directors
H.O.P.E (Homes for Orphaned Pets Exist)	Board of Directors- Treasurer, Member of Fundraising Committee
Lifeworks Community Action	General Volunteer Work
Northeast Center for Spiritual Growth	Board of Directors, General Volunteer Work
Notre Dame/Visitation Church	Finance Committee; Chairperson
NY Military Museum	Transcription - NYS Veterans' Oral History Project
Park Theatre Foundation	Board of Directors
Queensbury All Sports Booster Club	Board of Directors
Rebuilding Together Saratoga County	Board of Directors
Salvation Army	Board of Directors, General Volunteer Work
Saratoga County History Center (Brookside Museum)	General Volunteer Work
Saratoga History Museum	Board of Directors
Saratoga Hospital Foundation	Foundation Board Member; Major Gifts Committee Chair; Co-Chair of the 2026 Capital Campaign
Saratoga Performing Arts Center	Chairman of the Board
Saratoga Springs Housing Authority	Board of Directors/ Chairperson
Saratoga Springs Rotary Club	Board of Directors, President Elect, General Volunteer Work
Saratoga Springs Rotary Education Foundation	Board of Directors; Executive Committee Member; Development Committee Member; Marketing Committee Member
Shelters of Saratoga	Board of Directors, Finance Committee member
The Angel Names Association	Board of Directors- Treasurer
The Community Hospice Foundation	Committee, Touched by an Angel Gala
The Kelley Family Charitable Foundation	Board of Directors -Vice President
The Kelley Family Charitable Foundation	Board of Directors
Tri County United Way	Finance Committee Member
Utica National Insurance Group	Educational Institutions Steering Committee

ATC uses a variety of media to advertise and inform our service area about our products and credit services. We provide advertising information using digital, print and broadcast media. Digital channels include but are not limited to: ATC website, PostStar.com, SaratogaToday.com, SaratogaBusinessJournal.com, GlensFallsBusinessJournal.com, and SaratogaReport.com. ATC also maintains Facebook, Instagram, and LinkedIn sites for non-product communications with the public. In addition to the hyper-local digital ads that are served on the preceding sites we are also active on Google, which includes Video, Search and Display ads, AdRoll Display ads, and StackAdapt, which includes Native and Over the Top ads. For print, the bank advertises primarily in the following newspaper sources: Saratoga Today, Saratoga Business Journal, Glens Falls Business Journal. Magazine advertising is placed in these free publications: Saratoga Living, Simply Saratoga, and Saratoga Family. In addition, we advertise on the following local radio stations: in Glens Falls, WFFG Froggy 100.3 and WNYG The Classics 101.7; in Saratoga Springs, Star Radio 93.3. Other advertising utilizes a variety of publications which include the annual Chamber of Commerce directories, as well as information in business and professional association directories and websites. The marketing department is continuously working on various nurture campaigns and utilizing lists from our core database to target the appropriate audience.

From January 1, 2025 to December 31, 2025**,** the Adirondack Trust Company and AMSURE Insurance have contributed over $790 thousand dollars to a wide variety of organizations and charitable events that have attributed to the growth of the community.

For the SBA year ending September 2025, ATC approved 6 SBA 7(a) loans amounting to $403,700 compared to 19 SBA 7(a) loans, amounting to $2.45 million the previous year. ATC continues to be an active SBA lender in the Capital District. In 2025 through the SBA lending program, ATC assisted in creating/retaining a minimum of 9 jobs across 6 businesses. Additionally, of the 6 loans approved in 2025, one loan was issued to a minority-owned business.

The Adirondack Trust partners with Pursuit (a Certified Development Company or CDC) to provide bank customers with SBA 504 loans through a collaborative three-party partnership that reduces the lender's risk while providing small businesses with up to 90% financing. This creates a structure for the bank that reduces risk, improves capital efficiency and supports economic growth to our customers in the targeted communities. Our partnership with Pursuit helps drive local job creation and supports small businesses expansion. In 2025, through ATC's partnership with Pursuit, they were able to approve 7 SBA 504 loans totaling $4.4 million.

The Adirondack Trust Company continues to partner (since September 2017) with Banzai, a free, online financial literacy program with efforts to improve the financial capability of local students through unique online learning initiatives. The Adirondack Trust Company is committed to providing students with the skills needed to successfully navigate the increasingly complex financial world we live in. The Adirondack Trust Company has partnered with Banzai to bring the Banzai programs to local students at no cost to schools or taxpayers and has implemented the program in nine schools with student participation amounting to 2,665.25 hours in the online curriculum in 2025. Interface improvements, additional courses offered as well as additional materials accessible have attributed to the success of the Banzai Program.

Annually, ATC provides personal document shredding days that are open to the public. In 2025, three shred days occurred in May, June and September. This service is intended for individuals to bring their personal data for confidential destruction. The annual shred days are very successful and draw in a large crowd from the community who benefit from the service.

In 2025, The Adirondack Trust Company Community Fund, a public charity under Internal Revenue Code 501(c) (3), continued to welcome business partners into its fundraising efforts. In December 2025, Lend-A-Hand Grant awards totaled $97,150 across 37 nonprofits in Saratoga, Warren, and Washington counties, versus $104,946 across 47 nonprofits in 2024. More than a decade ago, the Community Fund was created by the bank to serve as a perpetual source of philanthropic support for local nonprofit organizations.

In 2025, *Saratoga TODAY* readers voted Adirondack Trust Company Best Bank (17 consecutive years) and Best Insurance Company (on behalf of AMSURE) and placed second as Best Mortgage Lender and second as Best Insurance Agent—Paul von Schenk in its Best of the Saratoga Region Awards.

In 2025, *Saratogian* readers voted Adirondack Trust Company Best Bank (23 consecutive years), Best Mortgage Service (21 consecutive years), Best Insurance Agency (on behalf of AMSURE; 20 consecutive years), Best Financial and Retirement Planning Firm, and Best Customer Service in its annual Readers' Choice Awards.

In 2025, readers of The Post-Star voted Adirondack Trust Company Best Financial Advisor, Best Wealth Management Company, Best Medium-Sized Company to Work For, Favorite Bank, and Favorite Mortgage Company in its annual Best of the Region Awards.

Throughout 2025, ATC continued to receive BauerFinancial's prestigious 5-Star Superior rating quarterly— reaching 78 consecutive quarters by year-end. This achievement solidifies Adirondack Trust's status as an "Exceptional Performance Bank", an honor reserved for institutions demonstrating consistent excellence, maintaining a 5- Star rating for 10 years (40 consecutive quarters) or longer. This recognition places the Bank among an elite group of financial institutions nationwide that have proven their resilience and commitment to financial excellence.

BauerFinancial, Inc., based in Coral Gables, Fla., is the nation's leading independent bank and credit union rating and research firm, has been reporting on and analyzing the performance of U.S. banks and credit unions since 1983. No institution can pay for or opt-out of a BauerFinancial rating. Star ratings are all available for free at bauerfinancial.com.

In FY 2025, the Bank originated $176,613,290 in loans to help fulfill the credit needs of customers in communities served. During this period, a substantial majority of HMDA reportable loans and small business loans were made in the Bank's CRA assessment area. Total loans originated included the following:

	12 months 12/31/24	**12 months 12/31/25**
Residential mortgage loans (1-4 family) *	$56,301,406	$41,895,042
Commercial mortgage loans	$36,056,928	$41,636,344
Construction & home improvement loans	$64,286,009	$54,162,659
Home equity loans & lines of credit	$20,472,500	$21,647,772
Automobile loans	$606,304	$287,202
Personal installment loans	$2,151,587	$2,871,559
Commercial loans & lines	$24,989,885	$14,112,712
Total	**$204,864,619**	**$176,613,290**

*Includes FNMA loans originated and sold.

Included in the above credit accommodations are loans to a wide variety of customers in our service area, as well as the Bank's participation in a variety of governmentally insured, guaranteed, or subsidized loan programs for housing, or small businesses.

A list of these organizations includes but is not limited to the following:

- Empire State Certified Development Corporation
- Federal National Mortgage Association
- New York Business Development Corp.
- New York State Energy Research & Development Authority - Energy $mart Loan Fund
- New York State Excelsior Linked Deposit Loan Program
- Saratoga County Industrial Development Agency
- Statewide Zone Capital Corporation
- U.S. Small Business Administration
- U.S. Small Business Administration

In addition to the above loans, ATC has direct investments in various securities of New York State, its agencies, counties, and municipalities. These municipal investments totaled $12,618,781.23 as of December 31, 2025, of which $6,358,781.23 were investments in securities of municipalities specifically in our Assessment Area.

The philosophy of ATC and its Board of Directors is to promote community growth, to properly service the banking needs of our Assessment Area, and to place a priority on loans which maintain or expand the economic base of our market area.

The directors, officers, and employees of ATC take a great deal of pride in our being an integral part of the community. Our active participation provides us with a very high level of feedback in terms of all the credit needs of the community. This gives ATC employees and officers an opportunity to act as examples for other members and participants in our community. We also promote the recognition of those at every level who make positive contributions, whatever size, to the continued well-being and growth of our community.

In addition to the above, it is a philosophy of ATC to provide a very high level of service to our customers, prospects, and other members of the community. With virtually all our efforts concentrated on our well-defined market area, we are often able to provide credit accommodation, which may not otherwise be available. We are continually assessing the type of banking services we offer to our community.

We also support the other financial services of our customers by providing Trust, Wealth management, and insurance services. Our 38-year-old Trust Department and 25-year-old Insurance Division demonstrate the need and desire of our customers for local management and protection of their assets based on the following data:

	12 months 12/31/24	**12 months 12/31/25**
Trust - Customer account total balances	$939 million	$1.053 Billion
Insurance – Premiums (Property & Casualty)	$112 million	$125 million
Insurance – Premiums (Life & Health Insurance)	$325 million	$357 million

Lastly, the directors, officers, and employees are proud to offer the very best banking services with a well-earned reputation for safety, soundness, and integrity.

Exhibit A

The Adirondack Trust Company CRA Assessment Area – 2025