

CHEMUNG FINANCIAL CORP
Form 424B3
February 14, 2011

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-171504

February 23, 2011

Dear Shareholder:

On October 14, 2010, Fort Orange Financial Corp., a Delaware corporation (“Fort Orange”) entered into an Agreement and Plan of Merger, as amended as of December 28, 2010 (the “Merger Agreement”) with Chemung Financial Corporation (“Chemung Financial”), pursuant to which Fort Orange will be merged with and into Chemung Financial, with Chemung Financial as the surviving corporation (the “Merger”). We are sending you this joint proxy statement/prospectus to ask you to vote on the approval of the Merger pursuant to the Merger Agreement.

If the Merger Agreement is approved and the Merger is subsequently completed, the holders of Fort Orange common stock will be given the opportunity to receive, for their shares of Fort Orange common stock: (i) all cash in the amount of \$7.50 per share, without interest (“Cash Consideration”); (ii) all Chemung Financial common stock, at an exchange ratio of 0.3571 of a share of Chemung Financial common stock for each share of Fort Orange common stock (“Stock Consideration”) or (iii) a mix of Cash Consideration for 25% of their shares and Stock Consideration for 75% of their shares. The exchange ratio of 0.3571 of a share of Chemung Financial stock for one share of Fort Orange stock is subject to downward adjustment if the Chemung Financial common stock Closing Price (as defined in the Merger Agreement) at the time the Merger is completed exceeds \$25.20 per share. In addition, the Cash Consideration of \$7.50 per share and the Stock Consideration exchange ratio of 0.3571 of a share of Chemung Financial stock are each subject to downward adjustment on a sliding scale as described in the Merger Agreement if the delinquent loans in the Fort Orange loan portfolio increase prior to completion of the Merger.

The total consideration to be paid by Chemung Financial for the Merger is subject to the requirement that 25% of the Fort Orange common stock be acquired for the Cash Consideration and that 75% be acquired for the Stock Consideration. This may cause Fort Orange shareholders who elect either the all Cash Consideration or all Stock Consideration for their shares to receive a mix of the two on a prorated basis in accordance with allocation provisions in the Merger Agreement.

The value of the Stock Consideration will fluctuate with the market price of Chemung Financial common stock. Based on the closing price of Chemung Financial common stock, as reported by the Over-the-Counter Bulletin Board (the “OTCBB”), on October 14, 2010, the last trading day before public announcement of the Merger Agreement, the aggregate value of the Stock Consideration and Cash Consideration represented approximately \$7.63 in value for each share of Fort Orange common stock. You should obtain current stock price quotations for Chemung Financial and Fort Orange common stock. Chemung Financial common stock trades over-the-counter on the OTCBB under the symbol “CHMG.OB” and Fort Orange common stock trades over-the-counter on Pinksheets.com under the symbol “FOFC”.

The accompanying joint proxy statement/prospectus is also being delivered to Fort Orange shareholders as Chemung Financial's prospectus for its offering of Chemung Financial common stock in connection with the Merger, and as a proxy statement for the solicitation of proxies from Fort Orange shareholders to vote for the adoption of the Merger Agreement and approval of the Merger.

The Merger cannot be completed unless at least 66 2/3% of the issued and outstanding shares of Chemung Financial common stock and a majority of the issued and outstanding shares of common stock of Fort Orange vote in favor of the Merger. Whether or not you plan to attend the special meeting of shareholders, please take the time to vote via the internet at the address shown on the proxy card, the telephone by calling the number shown on the proxy card or by completing and signing the enclosed proxy card and mailing it in the enclosed envelope. If you sign, date and mail your proxy card without indicating how you want to vote, your proxy will be counted as a vote "FOR" the adoption of the Merger Agreement. If you fail to vote in person or by proxy, or you do not instruct your broker how to vote any shares held for you in "street name," it will have same effect as voting "AGAINST" the Merger Agreement.

Your board of directors has unanimously determined that the Merger and the Merger Agreement are fair and in the best interest of Chemung Financial and its shareholders and recommends that you vote "FOR" the adoption of the Merger Agreement.

This joint proxy statement/prospectus provides you with detailed information about the proposed Merger. It also contains or references information about Chemung Financial, Fort Orange and related matters. You are encouraged to read this document carefully. In particular, you should read the "Risk Factors" section beginning on page 20 for a discussion of the risks you should consider in evaluating the proposed Merger and how it will affect you.

On behalf of the Board of Directors, I thank you for your prompt attention to this matter.

Sincerely,

Ronald M. Bentley
President and Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Merger, the issuance of the Chemung Financial common stock in connection with the Merger or the other transactions described in this joint proxy statement/prospectus, or passed upon the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is a criminal offense.

The securities to be issued in connection with the Merger are not savings accounts, deposits or other obligations of any bank or savings association and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

This joint proxy statement/prospectus is dated February 23, 2011, and is first being mailed to shareholders of Chemung Financial and Fort Orange on or about February 23, 2011.

February 23, 2011

Dear Shareholder:

A Merger Proposal — Your Vote Is Very Important

On October 14, 2010, Fort Orange Financial Corp., a Delaware corporation (“Fort Orange”) entered into an Agreement and Plan of Merger, as amended as of December 28, 2010 (the “Merger Agreement”) with Chemung Financial Corporation, a New York corporation (“Chemung Financial”), pursuant to which Fort Orange will be merged with and into Chemung Financial, with Chemung Financial as the surviving corporation. We are sending you this joint proxy statement/prospectus to ask you to vote on the approval of the Merger pursuant to the Merger Agreement.

If the Merger Agreement is approved and the Merger is subsequently completed, you will be given the opportunity to receive, for your shares of Fort Orange common stock: (i) all cash in the amount of \$7.50 per share, without interest (the “Cash Consideration”); (ii) all Chemung Financial common stock, at an exchange ratio of 0.3571 of a share of Chemung Financial common stock for each share of Fort Orange common stock (the “Stock Consideration”) or (iii) a mix of Cash Consideration for 25% of your shares and Stock Consideration for 75% of your shares. The exchange ratio of 0.3571 of a share of Chemung Financial common stock for each share of Fort Orange common stock is subject to downward adjustment if the Chemung Financial common stock average Closing Price (as defined in the Merger Agreement) for a specified period immediately before the time of the Merger is completed (as described in the Merger Agreement) exceeds \$25.20 per share. In addition, the Cash Consideration of \$7.50 per share and the Stock Consideration exchange ratio of 0.3571 of a share of Chemung Financial stock are each subject to downward adjustment on a sliding scale as described in the Merger Agreement if the delinquent loans in the Fort Orange loan portfolio increase prior to completion of the Merger.

The total consideration to be paid by Chemung Financial in the Merger is subject to the requirement that 25% of Fort Orange common stock be acquired for the Cash Consideration and that 75% be acquired for the Stock Consideration. This may cause Fort Orange shareholders who elect either the all Cash Consideration or the all Stock Consideration for their shares to receive a mix of the two on a prorated basis in accordance with allocation provisions in the Merger Agreement.

The value of the Stock Consideration will fluctuate with the market price of Chemung Financial common stock. Based on the closing price of Chemung Financial common stock, as reported by the Over-the-Counter Bulletin Board (the “OTCBB”), on October 14, 2010, the last trading day before public announcement of the Merger Agreement, the value of the Stock Consideration and Cash Consideration represented approximately \$7.63 in value for each share of Fort Orange common stock. You should obtain current stock price quotations for Chemung Financial and Fort Orange common stock. Chemung Financial common stock trades over-the-counter on the OTCBB under the symbol “CHMG.OB” and Fort Orange common stock trades over-the-counter on Pinksheets.com under the symbol “FOFC”.

If the Merger is approved and is subsequently completed, Fort Orange shareholders (other than dissenting shareholders) who receive Stock Consideration will become shareholders of Chemung Financial.

The accompanying joint proxy statement/prospectus is also being delivered to Chemung Financial shareholders as a proxy statement for the solicitation of proxies from Chemung Financial shareholders to vote to approve the Merger.

The Merger cannot be completed unless a majority of the issued and outstanding shares of common stock of Fort Orange and at least 66 2/3% of the outstanding shares of Chemung Financial common stock vote in favor of the Merger. Whether or not you plan to attend the special meeting of shareholders, please take the time to vote via the internet at the address shown on the proxy card, the telephone by calling the number shown on the proxy card, or by completing and signing the enclosed proxy card and mailing it in the enclosed envelope. If you sign, date and mail your proxy card without indicating how you want to vote, your proxy will be counted as a vote "FOR" the adoption of the Merger Agreement and you will not be entitled to appraisal rights for your shares of Fort Orange stock. If you fail to vote in person or fail to submit your proxy card via mail, internet or telephone, or you do not instruct your broker how to vote any shares held for you in "street name," it will have the same effect as voting "AGAINST" the Merger Agreement. Fort Orange shareholders who do not vote in favor of the Merger can seek appraisal rights for their stock and obtain payment in cash equal to the fair value of their shares as determined by the Court of Chancery of the State of Delaware. For more information on the appraisal rights of Fort Orange shareholders, see "Questions and Answers About the Merger and the Special Meetings"- "Are Fort Orange shareholders entitled to appraisal rights?" on page 5 and "Appraisal Rights" beginning on page 168 .

Your board of directors has unanimously determined that the Merger and the Merger Agreement are fair and in the best interests of Fort Orange and its shareholders and unanimously recommends that you vote "FOR" the adoption of the Merger Agreement.

This joint proxy statement/prospectus provides you with detailed information about the proposed Merger. It also contains or references information about Chemung Financial and Fort Orange and related matters. You are encouraged to read this document carefully. In particular, you should read the "Risk Factors" section beginning on page 20 for a discussion of the risks you should consider in evaluating the proposed Merger and how it will affect you.

On behalf of the board of directors, I thank you for your prompt attention to this important matter.

Eugene M. Sneeringer, Jr.
Chairman of the Board

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Merger, the issuance of the Chemung Financial common stock in connection with the Merger or the other transactions described in this joint proxy statement/prospectus, or passed upon the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is a criminal offense.

The securities to be issued in connection with the Merger are not savings accounts, deposits or other obligations of any bank or savings association and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

This joint proxy statement/prospectus is dated February 23, 2011, and is first being mailed to shareholders of Chemung Financial and Fort Orange on or about February 23, 2011.

CHEMUNG FINANCIAL CORPORATION
ONE CHEMUNG CANAL PLAZA, P. O. BOX 1522
ELMIRA, NEW YORK 14902

NOTICE OF THE SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON March 24, 2011

NOTICE IS HEREBY GIVEN that a special meeting of the shareholders of Chemung Financial Corporation, a New York Corporation (“Chemung Financial”) will be held at the principal office of Chemung Financial, One Chemung Canal Plaza, Elmira, New York 14902, at 3:00 p.m., Eastern Time, on March 24, 2011, for the following purposes:

1. To approve the merger of Fort Orange Financial Corp., a Delaware Corporation (“Fort Orange”) with and into Chemung Financial (the “Merger”) pursuant to the Agreement and Plan of Merger, dated as of October 14, 2010 and amended as of December 28, 2010 (the “Merger Agreement”), by and between Fort Orange and Chemung Financial; and
2. To transact any other business that may properly come before the special meeting or any adjournment or postponement thereof.

The proposed Merger is described in more detail in this joint proxy statement/prospectus, which you should read carefully in its entirety before you vote. A copy of the Merger Agreement is attached as Appendix A1 to this joint proxy statement/prospectus and the amendment thereto is attached as Appendix A2 to this joint proxy statement/prospectus. Only Chemung Financial shareholders of record as of the close of business on February 9, 2011, are entitled to notice of and to vote at the special meeting of shareholders or any adjournments of the special meeting.

The Merger must be approved by at least 66 2/3% of the outstanding shares of the Chemung Financial common stock and a majority of the outstanding shares of common stock of Fort Orange. Please vote as soon as possible.

Proxy cards submitted without any indication of a vote will be deemed as votes “FOR” the approval of the Merger Agreement. Abstentions and shares that you have not authorized your broker to vote will have the same effect as votes “AGAINST” the approval of the Merger and the transactions contemplated by the Merger Agreement.

If your shares are held in the name of a broker, bank or other fiduciary, please follow the instructions on the voting instructions card provided by such person. If you attend the special meeting, you may vote in person if you wish, even if you have previously returned your proxy card. If you wish to attend the special meeting and vote in person and your shares are held in the name of a broker, trust, bank or other nominee, you must bring with you a proxy or letter from the broker, trustee, bank or nominee to confirm your beneficial ownership of the shares.

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING IN PERSON, CHEMUNG FINANCIAL URGES YOU TO SUBMIT YOUR PROXY AS PROMPTLY AS POSSIBLE (1) BY ACCESSING THE INTERNET WEBSITE SPECIFIED ON YOUR ENCLOSED PROXY CARD, (2) BY CALLING THE TELEPHONE NUMBER SPECIFIED ON THE ENCLOSED PROXY CARD OR (3) BY COMPLETING, SIGNING, DATING AND RETURNING THE ENCLOSED PROXY CARD IN THE POSTAGE PAID ENVELOPE PROVIDED.

Chemung Financial's board of directors has unanimously adopted and approved the Merger Agreement and the transactions contemplated by the Merger Agreement, and recommends that Chemung Financial shareholders vote "FOR" the approval of the Merger.

BY ORDER OF THE BOARD OF DIRECTORS

February 23, 2011
Elmira, New York

Jane H. Adamy
Corporate Secretary

If you have any questions concerning the Merger or other matters to be considered at the Chemung Financial special meeting, would like additional copies of this joint proxy statement/prospectus or need help voting your shares, please contact Chemung Financial's Corporate Secretary, Jane H. Adamy via telephone at (607) 737-3788 or by mail, Chemung Financial Corporation, Attention: Jane H. Adamy, Corporate Secretary, One Chemung Canal Plaza, P.O. Box 1522, Elmira, New York 14902.

Fort Orange Financial Corp.
1375 Washington Avenue
Albany, New York 12206

Notice of the Special Meeting of Shareholders
to be held on March 24, 2011

NOTICE IS HEREBY GIVEN that a special meeting of the shareholders of Fort Orange Financial Corp; (“Fort Orange”) will be held at the Hilton Garden Inn (Albany Medical Center), 62 New Scotland Avenue, Albany, New York at 9:30 a.m., Eastern Time, on March 24, 2011, for the following purposes:

1. To approve the Agreement and Plan of Merger, dated as of October 14, 2010 and amended as of December 28, 2010 (the “Merger Agreement”), by and between Fort Orange and Chemung Financial Corporation (“Chemung Financial”), and thereby approve the transactions contemplated by the Merger Agreement; and
2. To transact any other business that may properly come before the special meeting or any adjournment or postponement thereof.

The proposed Merger is described in more detail in this joint proxy statement/prospectus, which you should read carefully in its entirety before you vote. A copy of the Merger Agreement is attached as Appendix A1 to this joint proxy statement/prospectus and the amendment thereto is attached as Appendix A2. Only Fort Orange shareholders of record as of the close of business on February 9, 2011, are entitled to notice of and to vote at the special meeting of shareholders or any adjournments of the special meeting.

To complete the Merger, the Merger Agreement must be approved by a majority of the outstanding shares of Fort Orange common stock and at least 66 2/3% of the outstanding shares of Chemung Financial common stock. Please vote as soon as possible.

Proxy cards submitted without any indication of a vote will be deemed as votes “FOR” the approval of the Merger Agreement and you will not be entitled to appraisal rights for your shares of Fort Orange stock. Abstentions and shares that you have not authorized your broker to vote will have the same effect as votes “AGAINST” the approval of the Merger and the transactions contemplated by the Merger Agreement.

If your shares are held in the name of the broker, bank or other fiduciary, please follow the instructions on the voting instructions card provided by such person. If you attend the special meeting, you may vote in person if you wish, even if you have previously returned your proxy card. If you wish to attend the special meeting and vote in person and your shares are held in the name of a broker, trust, bank or other nominee, you must bring with you a proxy or letter from the broker, trustee, bank or nominee to confirm your beneficial ownership of the shares.

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING IN PERSON, FORT ORANGE URGES YOU TO SUBMIT YOUR PROXY AS PROMPTLY AS POSSIBLE (1) BY ACCESSING THE INTERNET WEBSITE SPECIFIED ON YOUR ENCLOSED PROXY CARD; (2) BY CALLING THE TELEPHONE NUMBER SPECIFIED ON YOUR ENCLOSED PROXY CARD OR (3) BY COMPLETING, SIGNING, DATING AND RETURNING THE ENCLOSED PROXY CARD IN THE POSTAGE PAID ENVELOPE PROVIDED.

DO NOT SEND STOCK CERTIFICATES WITH THE PROXY CARD. YOU WILL RECEIVE AN ELECTION FORM TO ELECT THE CASH AND/OR STOCK CONSIDERATION WITH INSTRUCTIONS FOR DELIVERING YOUR STOCK CERTIFICATES UNDER SEPARATE COVER.

Fort Orange's board of directors has unanimously adopted and approved the Merger Agreement and the transactions contemplated by the Merger Agreement, and recommends that Fort Orange shareholders vote "FOR" the approval of the Merger.

If you have any questions concerning the Merger or other matters to be considered at the Fort Orange special meeting, would like additional copies of this joint proxy statement/prospectus or need help voting your shares, please contact Fort Orange's Executive Vice President and Chief Financial Officer, Steven J. Owens via telephone at (518) 433-5810 or by mail, Fort Orange Financial Corp., Attention: Steven J. Owens, Executive Vice President and CFO, 1375 Washington Avenue, Albany, New York 12206.

BY ORDER OF THE BOARD OF
DIRECTORS

February 23, 2011
Albany, New York

Eugene M. Sneeringer, Jr.
Chairman of the Board

Table of Contents

| | PAGE |
|--|------|
| <u>Where You Can Find More Information</u> | 1 |
| <u>Questions and Answers about the Merger and the Special Meetings</u> | 2 |
| <u>Summary</u> | 10 |
| <u>Risk Factors</u> | 18 |
| <u>Risks Related to the Merger</u> | 18 |
| <u>Risks Relating to Chemung Financial's Business</u> | 23 |
| <u>Fort Orange Special Meeting Of Shareholders</u> | 27 |
| <u>Chemung Financial Special Meeting of Shareholders</u> | 29 |
| <u>The Merger and the Merger Agreement</u> | 32 |
| <u>Explanatory Note Regarding the Merger Agreement</u> | 32 |
| <u>General</u> | 32 |
| <u>The Parties</u> | 32 |
| <u>Chemung Financial Corporation</u> | 32 |
| <u>Fort Orange Financial Corp.</u> | 33 |
| <u>Background of the Merger</u> | 33 |
| <u>Merger Consideration</u> | 36 |
| <u>Adjustment to the Merger Consideration</u> | 37 |
| <u>Exchange Procedures</u> | 38 |
| <u>Allocation Procedures</u> | 38 |
| <u>Treatment of Fort Orange Stock Options and Other Equity Awards</u> | 39 |
| <u>Recommendation of the Chemung Financial Board of Directors and Reasons for the Merger</u> | 39 |
| <u>Recommendation of the Fort Orange Board of Directors and Reasons for the Merger</u> | 40 |
| <u>Opinion of Fort Orange's Financial Advisor</u> | 43 |
| <u>Valuation</u> | 44 |
| <u>Pro Forma Financial Impact Analysis</u> | 47 |
| <u>Contribution Analysis</u> | 47 |
| <u>Relationship with Fort Orange and Chemung Financial</u> | 48 |
| <u>Interests of Fort Orange Directors and Executive Officers in the Merger</u> | 48 |
| <u>Indemnification</u> | 51 |
| <u>Directors' and Officers' Liability Insurance</u> | 51 |
| <u>Opinion of Chemung Financial's Financial Advisor</u> | 51 |
| <u>Summary of Proposal</u> | 53 |
| <u>Comparable Company Analysis</u> | 54 |
| <u>Stock Trading History</u> | 55 |
| <u>Net Present Value Analysis – Fort Orange common stock</u> | 55 |
| <u>Net Present Value Analysis - Chemung Financial common stock</u> | 56 |
| <u>Analysis of Selected Merger Transactions</u> | 57 |
| <u>Pro Forma Merger Analysis</u> | 58 |
| <u>Sandler O'Neill's Compensation and Other Relationships Chemung Financial</u> | 58 |
| <u>Effects of the Merger</u> | 58 |
| <u>Effective Time of the Merger</u> | 59 |
| <u>Litigation Related to the Merger</u> | 59 |
| <u>Conduct of Business Pending the Merger; Covenants</u> | 59 |
| <u>Representations and Warranties</u> | 61 |
| <u>Employee Matters</u> | 63 |
| <u>Conditions to the Merger</u> | 64 |

Regulatory Approvals Required for the Merger
No Solicitation; Board Recommendation

65
66

Table of Contents

| | PAGE |
|--|------|
| <u>Termination: Termination Fee</u> | 67 |
| <u>Modification or Amendment</u> | 68 |
| <u>Stock Market Quotation</u> | 68 |
| <u>Fees and Expenses</u> | 68 |
| <u>Material Federal Income Tax Consequences of the Merger</u> | 69 |
| <u>Exchange for Chemung Financial Common Stock</u> | 70 |
| <u>Cash Received in Exchange for Fort Orange Stock</u> | 70 |
| <u>Cash Received in Lieu of a Fractional Share</u> | 70 |
| <u>Reporting Requirements</u> | 70 |
| <u>Backup Withholding</u> | 70 |
| <u>Accounting Treatment</u> | 71 |
| <u>Stock Trading and Dividend Information for Fort Orange</u> | 71 |
| <u>Stock Trading and Dividend Information for Chemung Financial</u> | 71 |
| <u>Selected Historical Financial Data</u> | 73 |
| <u>Chemung Financial Selected Historical Financial and Other Data</u> | 73 |
| <u>Fort Orange Selected Historical Financial and Other Data</u> | 75 |
| <u>Management's Discussion and Analysis of Financial Condition and Results of Operations Regarding Fort Orange</u> | 77 |
| <u>General</u> | 77 |
| <u>Recent Developments</u> | 77 |
| <u>Critical Accounting Policies</u> | 77 |
| <u>Determination of the Allowance for Loan Losses</u> | 77 |
| <u>Evaluation of Other-Than-Temporary Impairment of Securities</u> | 78 |
| <u>Valuation of Deferred Income Taxes</u> | 78 |
| <u>Comparison of Financial Condition at September 30, 2010 and December 31, 2009</u> | 78 |
| <u>Total Assets</u> | 78 |
| <u>Cash and Cash Equivalents</u> | 78 |
| <u>Securities</u> | 78 |
| <u>Loans</u> | 79 |
| <u>Asset Quality</u> | 79 |
| <u>Allowance for Loan Losses</u> | 79 |
| <u>Deposits</u> | 79 |
| <u>Borrowings</u> | 80 |
| <u>Stockholders' Equity</u> | 80 |
| <u>Interest Rate Risk</u> | 80 |
| <u>Liquidity Risk</u> | 81 |
| <u>Comparison of Results of Operations for the Nine Months Ended September 30, 2010 and 2009</u> | 82 |
| <u>Average Balances, Interest Income and Expense, and Average Yields and Rates</u> | 82 |
| <u>Volume and Rate Analysis</u> | 83 |
| <u>Net Interest Income</u> | 83 |
| <u>Provision for Loan Losses</u> | 84 |
| <u>Non-Interest Income</u> | 84 |
| <u>Non-Interest Expenses</u> | 84 |
| <u>Income Tax Expense</u> | 85 |
| <u>Comparison of Financial Condition at December 31, 2009 and 2008</u> | 85 |
| <u>Total Assets</u> | 85 |

Cash and Cash Equivalents
Securities

85
86

Table of Contents

| | PAGE |
|---|------|
| <u>Loans</u> | 87 |
| <u>Asset Quality</u> | 88 |
| <u>Allowance for Loan Losses</u> | 89 |
| <u>Other Assets</u> | 91 |
| <u>Deposits</u> | 91 |
| <u>Borrowings</u> | 91 |
| <u>Stockholders' Equity</u> | 92 |
| <u>Interest Rate Risk</u> | 92 |
| <u>Liquidity Risk</u> | 93 |
| <u>Comparison of Results of Operations for the Years Ended December 31, 2009 and 2008</u> | 94 |
| <u>Average Balances, Interest Income and Expense, and Average Yields and Rates</u> | 94 |
| <u>Volume and Rate Analysis</u> | 96 |