



PUBLIC DISCLOSURE

October 26, 2015

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Bridgehampton National Bank
Charter Number 9669

2200 Montauk Highway
Bridgehampton, NY 11932

Office of the Comptroller of the Currency

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Suite 610
Edison, NJ 08837

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, and should not be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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Overall CRA Rating

Institution’s CRA Rating: This institution is rated **Satisfactory**.

The following table indicates the performance level of **The Bridgehampton National Bank** with respect to the Lending, Investment, and Service Tests:

Performance Levels	(Name of Depository Institution) Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

* The lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

The major factors that support this rating include:

- The geographic distribution for home mortgage loans is good;
- The borrower distribution for home mortgage loans is adequate;
- The geographic distribution of small loans to businesses is good;
- The borrower distribution of small loans to businesses is good;
- A high percentage of loans were made within the bank’s assessment area;
- The bank’s level of community development lending in the AA is excellent. Community development lending addressed the community credit needs and had a positive impact on the lending test;
- The bank’s performance under the investment test is good, and;
- The bank’s performance under the service test is good.

Definitions and Common Abbreviations

The following terms and abbreviations are used throughout this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

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 MA/assessment area.

Census Tract (CT): 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 areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

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

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

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

Community Reinvestment Act (CRA): the statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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 Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., 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 (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include additional data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

Home Mortgage Loans: Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

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

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

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

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine

the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area (MA): Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget and any other area designated as such by the appropriate federal financial supervisory agency.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Metropolitan Statistical Area that contains a population of at least 2.5 million. A Metropolitan Division consists of one or more counties that represent an employment center or centers, plus adjacent counties associated with the main county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as having at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties, plus adjacent outlying counties having a high degree of social and economic integration with the central county as measured through commuting.

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

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

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

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

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

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

Rated Area: A rated area is a state or multi-state 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 multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

Small Loan(s) to Business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans.

Small Loan(s) to Farm(s): A loan included in ‘loans to small farms’ as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Tier One Capital: The total of common shareholders’ equity, perpetual preferred shareholders’ equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

Description of Institution

Bridgehampton National Bank (BNB) is a full service intrastate community bank headquartered in Bridgehampton, New York. Bridgehampton is located in Suffolk County on Eastern Long Island. Established in 1910, BNB's primary market area is Suffolk County, however, BNB has branches in Nassau County as it has acquired two banks since the previous CRA evaluation. As of June 30, 2015, BNB reported total assets of \$3.43 billion and a net Tier 1 capital of \$258.02 million. BNB is a principal subsidiary of Bridge Bancorp Inc., a one-bank holding company, publically traded on NASDAQ under the ticker symbol BDGE. BNB is a part of the Bridge Bancorp family of financial institutions including a real estate investment trust, capital trust, and title insurance company. The subsidiaries have no impact on the bank's capacity to meet its community reinvestment obligations. BNB offers a broad range of loan and deposit products and services through its full-service branch network and alternative delivery channels.

As of June 30, 2015, total bank assets included \$2.25 billion in net loans and total investment securities of \$841.23 million. The primary lending product was real estate loans, which includes both residential and commercial real estate, accounting for 80.89 percent of total loans, or \$1.83 billion. Commercial loans totaled \$418.18 million and accounted for 18.46 percent of total loans. BNB offers multi-family mortgage and business lines of credit to commercial customers. As of June 30, 2015, BNB reported total deposits of \$2.78 billion. Other products offered by BNB include business and home equity lines of credit, money market funds, certificate of deposits, cash management services, remote deposit, online banking, safe deposit boxes, money orders, and more. The bank's strategy is to continue to grow and expand the bank's market area.

BNB acquired First National Bank of New York (FNBNY) for \$5.25 million on February 14, 2014. FNBNY had assets in excess of \$250 million and a loan portfolio of approximately \$100 million. As a result of this acquisition, the AA was expanded to include Nassau County. Prior to the acquisition of FNBNY the AA included only Suffolk County. Additionally, BNB acquired Community National Bank (CNB) on June 19, 2015. The CNB acquisition did not affect BNB's assessment area for this performance evaluation, as there was not six months of data available prior to the evaluation start date.

BNB has one assessment area within the New York-Newark-Jersey City, N.Y.-N.J.-PA MSA #35620. It is the Nassau County-Suffolk County, NY MD AA (#35004). There are currently 40 branches in operations within the Nassau, Suffolk, Queens, and Manhattan Counties. The branches in Queens and Manhattan County were converted to BNB branches when the CNB acquisition occurred, and were not considered as part of this performance evaluation, as BNB had not operated them for at least six months. BNB operates in a competitive market. The primary market in which BNB operates is shared among large multi-national financial institutions and numerous community banks and nonbank institutions. BNB also competes with credit unions and mortgage companies for lending opportunities in its geography.

There are no legal or financial factors which would impact the bank's ability to help meet the credit needs of its community.

BNB's previous CRA evaluation was dated November 13, 2012 and the bank received a "Satisfactory" rating.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The lending test for home mortgages reported under the Home Mortgage Disclosure Act (HMDA) and small loans to businesses were evaluated from January 1, 2012 through June 30, 2015. Demographic information for Suffolk and Nassau Counties are derived from the 2013 and 2015 U.S. Department of Housing and Urban Development (HUD) data. Peer mortgage and small business used in market comparisons are based on 2014 data, which was the most recent available data at the time of this evaluation. The bank did not originate any loans to farms within the bank's assessment area during the evaluation period. Therefore, an analysis of that product would not be meaningful and was not performed.

The evaluation period for community development loans, qualified investments, and services originated by BNB were assessed from November 13, 2012 through October 26, 2015. Evaluation for qualification was based on the information and documentation provided by the bank. An evaluation of all community development loans, investments, and services were qualified appropriately based on the regulatory standards of CRA guidelines. In addition, we considered the level of innovation, complexity, responsiveness to community credit needs, and the degree to which these instruments are not routinely provided by private investors.

Data Integrity

A Data Integrity Examination of BNB was conducted in June of 2015 to evaluate and verify submitted HMDA and CRA data for 2013, 2014 and first quarter of 2015. The Data Integrity examination did not include a review of 2012 data. An analysis based on a sample of HMDA and CRA small business reportable loans was conducted.

Selection of Areas for Full-Scope Review

We performed a full scope review of the bank's one Assessment Area (AA): Nassau and Suffolk Counties MSA #35004, which forms the Nassau-Suffolk, NY MD. The AA for BNB consists of 606 census tracts within the Nassau and Suffolk Counties, of which a majority are upper and middle-income tracts. The AA's census tracts are distributed among 13 low income (2.15 percent), 96 moderate-income (15.84 percent), 354 middle-income (58.42 percent), 134 upper-income (22.11 percent), and 9 NA (1.49 percent). Please refer to Appendix A for further details on the scope and assessment area.

In completing the lending test for January 1, 2012 through December 31, 2013, we used Suffolk County as the AA and did not include Nassau County, as the assessment area changed in 2014 due to the acquisition of FNB NY.

Ratings

The bank's overall rating is based on the bank activities in its sole AA in Nassau and Suffolk Counties. We placed more emphasis on 2014 – 2015 activity when making our conclusions. The products we placed more emphasis on were loans to small businesses, as BNB originated more small business loans than home purchase, home improvement, home refinance, and multifamily loans.

Other

We considered information obtained from a contact made during the CRA evaluation of BNB. The local community development organization's mission is to address the need for and to provide affordable housing opportunities on Long Island for those who are unable to afford homes, through development, technical assistance, mortgage counseling, homebuyer education and lending programs. According to our community contact, the current family median income for Long Island is \$109 thousand. The most significant change in the past ten years has been the decrease in home ownership. High rental expense has prevented many from being able to save and afford a house. During the past few years, major employers in Long Island have remained relatively stable with little or no change. Through discussions with the community contact, we learned that there are opportunities within Suffolk and Nassau counties to provide low-income housing to families.

Fair Lending or Other Illegal Credit Practices Review

An analysis of 2012 through 2015 years public comments and consumer complaint information was performed according to the OCC's risk based fair lending approach. Based on an analysis of the information, the OCC decided that a comprehensive fair lending examination would not need to be conducted in connection with the CRA evaluation this year. A review of fair lending was completed at the last OCC examination of the bank dated September 14, 2015.

Conclusions with Respect to Performance Tests

LENDING TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the lending test is rated "High Satisfactory". Based on the full scope review, the bank's performance is good.

Lending Activity

Refer to Table 1: Lending Volume, in Appendix C, for the facts and data used to evaluate the bank's lending activity. As part of the lending test, we compared the deposit market share to the market share of individual loan products.

BNB's lending activity within the AA is good. As of June 30, 2015 the bank is ranked 41st among 219 FDIC-insured institutions in the deposit market with 0.18 percent of the total market share. JP Morgan Chase dominates the deposit market with market share of 32.77 percent while the second ranking institution, The Bank of New York Mellon, has 8.75 percent of the market share. The next three competitors are Bank of America with a 7.77 percent market share, HSBC Bank with 5.91 percent market share, and Citibank with 5.76 percent market share.

Analysis for the lending test in the bank's AA focused primarily on home purchase, home refinancing, home improvement, and small loans to businesses. The analysis compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies.

BNB is ranked 106th among 329 institutions, with 0.11 percent market share (based on dollar amounts) in home purchase lending based on 2014 HMDA Peer Mortgage data. Competition in home purchase lending is high. The top two home purchase lenders are multinational, diversified financial services companies, with a combined market share of 25.97 percent. BNB is ranked 38th among 139 institutions, with 0.32 percent market share, in home improvement lending based on volume and 0.28 percent market share based on dollar amount. The top two lenders are a multinational, diversified financial services company and a federal credit union with combined market share of 20.50 percent.

BNB is ranked 59th among 304 institutions, with 0.29 percent market share based on volume, however, based on dollar amounts, BNB has a market share of 0.16 percent. The top lender has 11.39 percent of total market share, while the next five institutions have a combined market share of 28.98 percent, individually ranging from 8.47 percent to 3.93 percent.

Distribution of Loans by Income Level of the Geography

The overall geographic distribution of home mortgage loans is good.

Home Mortgage Loans

Refer to Tables 2, 3, 4 and 5 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations, purchases, and refinances.

The overall geographic distribution of home purchase, home refinances, home improvement, and multifamily loans is good within the bank's AA.

Home Purchase Loans (January 1, 2014 – June 30, 2015)

The geographic distribution of home purchase loans in low- and moderate-income geographies is good.

The geographic distribution of home purchase loans in moderate-income geographies is excellent. During the period of January 1, 2013 through December 31, 2013, BNB originated 33 home purchase loans. BNB originated 64 percent of home purchase loans in moderate-income geographies, which exceeds the percentage of moderate-income geographies in that AA.

The geographic distribution of home purchase loans in low-income geographies is poor. BNB did not originate any home purchase loans in low-income geographies in the above noted period; however, this was primarily due to a limited number of owner-occupied housing in low-income geographies in the AA.

January 1, 2012 – December 31, 2013

The geographic distribution of home purchase loans in low- and moderate-income geographies is good.

The geographic distribution of home purchase loans in moderate-income geographies is excellent. During the period of January 1, 2012 through December 31, 2013, BNB originated 57 home purchase loans. BNB originated 32 percent of home purchase loans in moderate-income geographies, which exceeds the percentage of moderate-income geographies in that AA.

The geographic distribution of home purchase loans in low-income geographies is poor. BNB did not originate any home purchase loans in low-income geographies in the above noted period; however, this was primarily due to a limited number of owner-occupied housing in low-income geographies in the AA.

Home Improvement Loans (January 1, 2014 – June 30, 2015)

The geographic distribution of home improvement loans in low- and moderate-income geographies is good.

The geographic distribution of home improvement loans in moderate-income geographies in the above noted period is excellent. BNB originated seven home improvement loans and 57 percent were in moderate-income geographies, which exceeds the percentage of moderate-income geographies in that AA.

The geographic distribution of home improvement loans in low-income geographies in the above noted period is poor. BNB did not originate any home improvement loans in low-income geographies in the above noted period; however, this was primarily due to a limited number owner-occupied housing in low-income geographies in the AA.

January 1, 2012 – December 31, 2013

The geographic distribution of home improvement loans in low and moderate-income geographies for 2013 is poor. BNB did not originate any home purchase loans in low- or moderate-income geographies in the above noted period.

Home Mortgage Refinance Loans (January 1, 2014 – June 30, 2015)

The geographic distribution of home refinance loans in low- and moderate-income geographies is good.

The geographic distribution of home refinance loans in moderate-income geographies is excellent. During the period of January 1, 2014 through October 26, 2015, BNB originated 57 home refinance loans. BNB originated 68 percent of home refinance loans in moderate-income geographies, which exceeds the percentage of moderate-income geographies in that AA.

The geographic distribution of home refinance loans in low-income geographies is poor. BNB did not originate any home refinance loans in low-income geographies in the above noted period; however, this was primarily due to a limited number of owner-occupied housing in low-income geographies in the AA.

January 1, 2012 – December 31, 2013

The geographic distribution of home refinance loans in low- and moderate-income geographies is good.

The geographic distribution of home refinance loans in moderate-income geographies is excellent. During the period of January 1, 2012 through December 31, 2013, BNB originated 56 home refinance loans. BNB originated 32 percent of home refinance loans in moderate-income geographies, which exceeds the percentage of moderate-income geographies in that AA.

The geographic distribution of home refinance loans in low-income geographies is poor. BNB did not originate any home refinance loans in low-income geographies in the above noted period; however, this was primarily due to a limited number of owner-occupied housing in low-income geographies in the AA.

Multifamily Loans (January 1, 2014 - June 30, 2015)

The geographic distribution of multifamily loans in low- and moderate-income geographies is good.

The geographic distribution of multifamily loans in moderate-income geographies is excellent. During the period of January 1, 2014 through October 26, 2015, BNB originated 11 multifamily loans. BNB originated 45 percent of multifamily loans in moderate-income geographies, which exceeds the percentage of moderate-income geographies in that AA.

The geographic distribution of multifamily loans in low-income geographies is poor. BNB did not originate any multifamily loans in low-income geographies in the above noted period; however, this was primarily due to a limited number of low-income geography opportunities in the AA.

January 1, 2012 – December 31, 2013

The geographic distribution of multifamily loans in low and moderate-income geographies is good.

The geographic distribution of multifamily loans in moderate-income geographies is excellent. During the period of January 1, 2012 through December 31, 2013, BNB originated 10 home refinance loans. BNB originated 80 percent of multifamily loans in moderate-income geographies, which exceeds the percentage of moderate-income geographies in that AA.

The geographic distribution of multifamily loans in low-income geographies is poor. BNB did not originate any multifamily loans in low-income geographies in the above noted period; however, this was primarily due to a limited number of low-income geography opportunities in the AA.

Small Loans to Businesses

Refer to Table 6 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

The overall geographic distribution of small loans to businesses is good.

January 1, 2014 – October 26, 2015

The overall geographic distribution of small loans to business in the Nassau-Suffolk AA is good.

The geographic distribution of small loans to businesses in moderate-income geographies in the above noted period is excellent. BNB originated 517 small loans to businesses. BNB originated twenty-nine percent of the bank's small loans to businesses in moderate-income geographies within the Nassau-Suffolk AA, which exceeds the percentage of small businesses in that AA.

The geographic distribution of small loans to businesses in low-income geographies in the above noted period is adequate. Small loans to businesses in low-income geographies accounted for 0.58 percent, however, only 1.46 percent of businesses are in a low-income geography.

January 1, 2012 – December 31, 2013

The overall geographic distribution of small loans to business in the Suffolk AA is good.

The geographic distribution of small loans to businesses in moderate-income geographies in the above noted period is good. BNB originated 606 small loans to businesses. The percentage of small loans to businesses in moderate-income geographies in the Suffolk AA exceeds the percentage of all business in those geographies, indicating a good level of lending.

The geographic distribution of small loans to businesses in low-income geographies in the above noted period is adequate. Small loans to businesses in low-income geographies accounted for 0.50 percent, however, only 0.62 percent of businesses are in a low-income geography.

Lending Gap Analysis

We found no unexplained conspicuous gaps in BNB's lending patterns. The bank's Nassau-Suffolk AA has a moderate volume of low- and moderate-income census tracts. Overall, the AA only contains 13 or 2.15 percent low-income census tracts, and 96 or 15.84 percent moderate-income census tracts. The bank's lending products are available to any bank customer, regardless of their geography. None of the bank's branches are located in low-income geographies and seven branches are located in moderate-income geographies. The bank's branch network makes bank locations available to all segments of the assessment area.

Inside/Outside Ratio

A high percentage of the bank's home mortgage loans and small loans to businesses were originated inside the Nassau-Suffolk AA. The analysis was performed at the bank level as opposed to the AA level and includes bank originations and purchases only. During the evaluation period, 81 percent of the bank's reportable loans (home purchase & small business loans) were originated inside the designated AAs. Specifically; 83 percent of all home purchase loans were within the AA; 78 percent of all home refinance loans were within the AA; 92 percent of all home improvement loans were within the AA; and 82 percent of all small loans to businesses were originated inside the AA.

Distribution of Loans by Income Level of the Borrower

The distribution of the bank's home mortgage loans by income level of the borrowers within the bank's AA is adequate.

Home Mortgage Loans

Refer to Tables 8, 9, and 10 in appendix C for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

Home Purchase Loans

The income distribution of home purchase loans for January 1, 2012 – June 30, 2015 is adequate.

January 1, 2014 to June 30, 2015

The income distribution of home purchase lending in 2014 and 2015 is adequate.

The income distribution of home purchase lending to moderate-income borrowers is adequate. Moderate income borrowers comprise 23.78 percent of the bank's AA. BNB made 5.26 percent of its home purchase loans to moderate-income borrowers.

The income distribution of home purchase lending to low-income borrowers is poor. BNB did not originate any home purchase loans to low income borrowers during this period.

January 1, 2012 – December 31, 2013

The borrower distribution of home purchase loans in 2012 and 2013 was adequate.

The income distribution of home purchase lending to moderate-income borrowers is adequate. Moderate income borrowers represent 24.95 percent of the AA, but accounted for 9.09 percent of total home purchase loans for the period.

The income distribution of home purchase lending to low-income borrowers is poor. BNB made 2.27 percent of its home purchase loans to low-income borrowers, while the percentage of families in the AA who identify as low-income borrowers was 19.92 percent.

Home Improvement Loans

Borrower distribution of home improvement loans for January 1, 2012 - June 30, 2015 is good.

January 1, 2014 – June 30, 2015

Borrower distribution of home improvement loans is excellent. During the evaluation period, the bank made seven home improvement loans. Lending to low-income borrowers was excellent. Low income borrowers comprise 19.02 percent of the bank's AA, BNB made 25 percent of its home improvement loans to this segment. The bank's market share of loans to low income borrowers is 0.57 percent, which is nearly three times the bank's overall market share of 0.20 percent. BNB also made 25 percent of its home improvement loans to moderate-income borrowers, despite only 18.46 percent of the AA consisting of moderate-income borrowers. This resulted in a market share of 0.26 percent, which also exceeded the overall market share.

January 1, 2012 – December 31, 2013

The borrower distribution of home improvement loans in 2012 and 2013 was poor. BNB did not originate any home improvement loans to low or moderate-income borrowers in the above noted period

Home Mortgage Refinance Loans

Borrower distribution of home refinance loans for January 1, 2012 – June 30, 2015 is adequate.

January 1, 2014 – June 30, 2015

Borrower distribution of home refinance loans is poor. During the review period, the bank made 57 refinance loans with an overall market share of 0.08 percent. BNB did not make any refinance loans to lower- or moderate-income borrowers.

January 1, 2012 – December 31, 2013

The borrower distribution of home refinance loans in 2012 and 2013 is adequate. Bridgehampton made 56 home refinance loans within its AA in the period. Moderate-income borrowers accounted for 15.38 percent of total refinance loans during the period, which is adequate given that 20.12 percent of the AA identified as moderate income families. No refinance loans were made to low-income borrowers during the period.

Small Loans to Businesses

BNB's borrower distribution of small loans to businesses based on business size within the Bridgehampton AA is good.

January 1, 2014 – October 26, 2015

BNB's borrower distribution of small loans to businesses in 2014 and 2015 is good. Of the total number of businesses within the bank's AA, 81.72 percent reported revenues of \$1 million or less. During 2014 and 2015, the bank made 517 small loans to businesses in its AA, with 60.74 percent made to businesses with revenues of \$1 million or less. However, this is good when considering the bank has 0.70 percent market share of small loans to businesses with revenues of less than \$1 million, exceeding the overall market share of 0.40 percent. In addition, the majority of small loans to businesses were comprised of loans with original amounts of \$100,000 or less.

January 1, 2012 – December 31, 2013

BNB's borrower distribution of small loans to businesses in 2012 and 2013 was good. The bank made 606 total small loans to businesses during the period. D&B identified 76.44 percent of businesses within the AA have revenues of \$1 million or less. The bank made 53.14 percent of its small loans to businesses with revenues of \$1 million or less. However, the bank's 1.16 percent market share of businesses with revenues of \$1 million or less exceeds the overall market share of 0.87 percent.

Community Development Lending

Refer to Table 1 Lending Volume in appendix C for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5 includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

Community Development (CD) lending is excellent based on community needs, the bank's capacity, and the overall economic condition of the bank's AA. The results of community development lending have a positive impact on the overall lending test. During the evaluation period, BNB made 37 qualified community development loans totaling \$58.3 million or 22.6 percent of Tier 1 Capital within the bank's assessment area. Additionally, BNB made 48 community development loans totaling \$191.4 million outside of the bank's assessment area. We noted a significant increase in community development lending compared to the prior CRA examination due to the growth of the multifamily lending portfolio.

A majority of CD loans, \$245.1 million or 98 percent of total CD loans, were commercial mortgage loans. Among the commercial mortgage loans, \$5.59 million financed the construction or purchase of affordable housing units, \$11.78 million were made to finance or refinance mixed-use properties providing affordable housing to low- and moderate- income families, and \$227.77 million financed to multi-family units with rental properties servicing low-income families. CD lending to nonprofit organizations providing community services targeted to low- or moderate- income individuals amounted to \$1.57 million.

Product Innovation and Flexibility

Product innovation and flexibility had a neutral impact on the lending test conclusion. The bank offers standard loan products.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the investment test is rated "High Satisfactory." Based on the full-scope review, the bank's performance is good.

Refer to Table 14 in appendix C for the facts and data used to evaluate the bank's level of qualified investments.

BNB has a significant level of qualified community development investments, totaling \$36.33 million, which represents 10.41 percent of Tier 1 Capital. BNB made \$33.13 million in qualified investments, 14 qualifying donations totaling \$108.75 thousand during the current evaluation period, and retained \$3.09 million in investments from the prior CRA evaluation cycle. Additionally, with the exception of one New York revenue bond, BNB made all of the investments in the Suffolk and Nassau County AA.

Performance is good as the majority of investments target an identified need in the AA, affordable housing and economic development. Seven of the ten securities are Government National Mortgage Association (Ginnie Mae) and Federal National Mortgage Association (Fannie Mae) mortgage-backed securities pools of loans made to low- and moderate-income families in the Suffolk and Nassau County AA. The remaining three securities are revenue bonds. One revenue bond is for the investment in New York State Urban Development Corporation. The primary focus of the New York State Urban Development Corporation is to provide affordable housing to low- and moderate-income families in the Suffolk County. However, investment in the organization also helps create jobs and provide economic development through the Community Capital Assistance program.

The second revenue bond is an investment in the New York Housing Authority. The housing programs covered under this agency and bond, include H.E.L.P., which is a 76-unit facility for homeless families. This program provides transitional housing support, including permanent housing in affordable private homes to 14 families in Suffolk County. The third revenue bond is an investment in New York Housing Development Corporation, which serves a wide range of income segments from very low income to middle-income tenants. This revenue bond is for one project located in Queens County and the second in Bronx County.

BNB demonstrates excellent community development investment through the 15 qualifying donations totaling \$108.75 thousand during the evaluation period. The majority of the donation recipients are nonprofit organizations that target low- and moderate-income individuals through social and health services. Below is a summary of the total dollar amount of CD investments made by BNB.

Originated Investments	\$33,127,205.00
Prior Period Investments Outstanding	\$ 3,090,000.00
Community Development Donations	<u>\$ 108,750.00</u>
Total Qualified Investments	\$36,325,995.00

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

The bank's performance under the Service Test is rated "High Satisfactory". Based on full-scope reviews, the bank's performance in good.

Retail Banking Services

Refer to Table 15 in appendix C for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

BNB's service delivery systems are readily accessible to geographies and individuals of different income levels in the AA.

All of the BNB's 40 branches offer full retail services. The percentage of branches located in moderate-income geographies exceeds the percentage of moderate-income population that resides in those areas. There are no branches in low-income geographies; however, opportunities are limited with only 13 of 606 census tracts designated low income. In addition, only 2.33 percent of the population lives in low-income geographies. The bank has 17.50 percent of its branches located in moderate-income geographies, while 17.98 percent of the population lives in moderate-income geographies.

During the evaluation period, 19 branches were added and one branch was closed. The adding and closing of branches has not adversely affected the accessibility of its delivery systems. There were a significant number of branches added due to the two acquisitions that occurred during the evaluation period. Of the branches that were added, three were in moderate-income areas, nine were in middle-income areas, and seven were in upper-income areas. The operating hours of branches located in moderate-income areas do not materially differ from branches located in middle- or upper-income areas. Most branches offer extended hours on at least one weekday and Saturday hours.

BNB offers alternative delivery systems, which include bank-by-phone, ATMs, Internet banking, and mobile banking. No weight was placed on these alternative methods of delivery since the use of these systems in moderate-income geographies or by low- and moderate-income people is not tracked.

BNB offers a no minimum balance checking account product to its customers. The product requires no direct deposit, free online banking and e-pay, and the monthly service fee is waived when you enroll in eStatements. The bank also offers a "select advantage checking" product for depositors over 50 years of age. The product offers no monthly charges, no monthly balance requirement, free direct deposit services, free online banking and e-pay, and free basic greystone-style checks.

Community Development Services

The bank provides a good level of community development services. Among the bank's 606 census tracts, 13 low income (2.15 percent), 96 moderate-income (15.84 percent) census tracts were identified. Bank employees performed various community development service activities for nonprofit organizations benefiting low- and moderate-income individuals within the bank's AA. Notable examples of the bank's participation in community development service serving their AA include:

- The CFO serves as a volunteer Board member for a not-for-profit charity that serves children, families, and developmentally disabled adults, and helps these individuals receive physical assistance with housing, health care, and basic needs.
- The Branch Operations Manager serves as a Board member for a charity that focuses on providing construction and housing assistance for low-income families.
- The Greenport Branch Manager sits on the Board of a charity that helps low- to moderate-income residents on the North Fork of Eastern Long Island to acquire affordable housing through mortgage acquisition and foreclosure assistance, housing rehabilitation assistance, subsidized housing assistance, fair housing law assistance, and other services.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the metropolitan and nonmetropolitan areas that received comprehensive examination review (designated by the term “full-scope”) and those that received a less comprehensive review (designated by the term “limited-scope”).

Time Period Reviewed	Lending Test (excludes CD Loans): (01/01/2012 to 06/30/2015) Investment and Service Tests and CD Loans: (11/13/2013 to 10/26/2015)	
Financial Institution	Products Reviewed	
The Bridgehampton National Bank (BNB) 2200 Montauk Highway Bridgehampton, NY 11932	HMDA, Small Business, CD loans and Investments	
Affiliate(s)	Affiliate Relationship	Products Reviewed
None		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Nassau/Suffolk County AA (Nassau/Suffolk MSA #35004)	Full-Scope	

Appendix B: Market Profiles for Full-Scope Areas

Nassau-Suffolk County AA

Demographic Information for Full-Scope Area: Nassau-Suffolk County AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	606	2.15	15.84	58.42	22.11	1.49
Population by Geography	2,827,872	2.33	17.98	58.98	20.57	0.15
Owner-Occupied Housing by Geography	765,364	1.02	14.18	61.34	23.46	0.00
Businesses by Geography	244,806	1.46	14.81	59.08	24.64	0.01
Farms by Geography	5,526	1.66	18.98	61.65	17.70	0.00
Family Distribution by Income Level	714,055	19.02	18.46	23.78	38.74	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	267,657	3.16	24.97	58.89	12.97	0.00
Median Family Income	= \$101,543					
HUD Adjusted Median Family Income for 2015	= \$109,000					
Households Below the Poverty Level	= 6%					
				Median Housing Value	= \$501,048	
				Unemployment Rate	= 3.00%	
				(2010 US Census)		

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2010 U.S. Census, and 2015 HUD updated MFI.

The Bridgehampton National Bank assessment area (AA) is the Nassau County-Suffolk County, NY MD AA #35004, which is part of New York-Newark-Jersey City, N.Y.-N.J.-PA MSA #35620. In this area, BNB's major competitors include JPMorgan Chase, National Association; Citibank, National Association; The First National Bank of Long Island; and The Suffolk County National Bank of Riverhead. Amongst their 219 competitors, BNB ranks 41st in deposit market share with 0.18 percent in market share. The AA meets regulatory guidelines as it corresponds to accepted political subdivisions (counties) and does not arbitrarily exclude any low- or moderate-income areas. The bank currently has 40 full service retail branches and 49 ATMs (10 stand-alone). Of those branches, two are located outside of the assessment area as a result of the CNB acquisition. Since the acquisition took place less than 6 months prior to the start of this evaluation, this does not affect the overall CRA rating. As presented above, the AA is comprised of 606 census tracts in the Nassau and Suffolk Counties. The AA census tracts are spread among 13 low income (2.15 percent), 96 moderate-income (15.84 percent), 354 middle-income (58.42 percent), 134 upper-income (22.11 percent), and 9 NA (1.49 percent).

The economic condition within the Nassau-Suffolk Counties is stable. Suffolk County and Nassau County encompass all of Long Island. Headquarters of the bank is located in the county seat of Bridgehampton about 97 miles east of Manhattan. While the overall economy has grown, employment remains generally flat in Long Island. The mix of public and private sector jobs has also remained relatively stable from 2012 to 2015. Housing prices are showing a recovery after the plunge in prices from 2008.

While the overall economy has grown, employment remains generally flat in Long Island. The mix of public and private sector jobs has also remained relatively stable from 2012 to 2015. Public sector employment fell consistently between 2009 and 2013 and edged up slightly in 2014. Private sector employment in 2013 was still slightly lower than the employment peak in 2007. This pattern continues to reflect what could be termed a “jobless” recovery from the recession. In 2005, Long Island's pay per employee was 9.3 percent higher than the national average, while in 2014, the advantage was less than one percent higher. Given that Long Island is a “high cost” region, the convergence with national income levels does not reflect well on the ability of individuals living in Long Island to maintain living standards.

Housing prices are showing a recovery after the plunge in prices from 2008, when the inflation-adjusted median price was at a high of \$511,700, to a low in 2012, when the median price was \$368,700. Short-term, declining house values have led to an increase in the number of moderately priced homes. In 2006, there were only 1,500 homes that sold for less than \$250,000. In 2013, 5,400 homes were sold for less than that amount. An average home sells for 4.2 times the average income, down from 5.5 in 2005, but still a high ratio by historical standards. The share of households paying more than 35 percent of their income for housing remained the same in 2013 at 37 percent. Until 2012, the share had fluctuated only slightly around 38 or 39 percent. Those paying more than half their income for housing represent 21 percent of households, also the same as in 2012, and just slightly less than in 2011.

Nassau County has an estimated population of 1.35 million, as of 2015. Suffolk is urban and suburban in character, with an estimated 1.51 million residents as of 2015. From 2010 to 2013, Long Island's population has expanded by 0.7 percent, compared to 1.2 percent in the other suburban counties surrounding New York City. Since 2010, Long Island's population growth has been somewhat slower than other suburban areas of the New York region, and much slower than New York City's or the nation as a whole. While Nassau County added fewer than 3,000 new residents, less than their growth in 2012, Suffolk County gained less than 500 people for the second consecutive year. This could reflect a region still recovering from super storm Sandy and continued weakness in new housing construction, especially for single-family homes that predominate in Suffolk County.

According to the US Bureau of Labor Statistics, 2015 unemployment rate for the Nassau-Suffolk AA was 3.0 percent, which was below the national unemployment rate of 5.7 percent. Major employers in Long Island include North Shore-Long Island Jewish-Health Systems, Cablevision Systems, GIECO, Hofstra University, Winthrop South Nassau University Health System, Verizon Communications, The Home Depot Inc., and Target Corp. Top industry sectors are education and health services, government, professional and business services, and retail trade.

Housing in the area is largely owner-occupied and expensive. According to 2010 census data, the median housing value was \$501 thousand, almost five times the median family income. Through discussions with the community contact, we learned that there are opportunities within the Suffolk and Nassau counties to provide low-income housing to families.

Appendix C: Tables of Performance Data

Content of Standardized Tables

References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the lending test tables, the following are applicable: (1) purchased loans are treated as originations/purchases and market share is the number of loans originated and purchased by the bank as a percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/assessment area; (2) Partially geocoded loans (loans where no census tract is provided) cannot be broken down by income geographies and, therefore, are only reflected in the Total Loans in Core Tables 2 through 7 and part of Table 13; and (3) Partially geocoded loans are included in the Total Loans and % Bank Loans Column in Core Tables 8 through 12 and part of Table 13. Tables without data are not included in this PE. [Note: Do not renumber the tables.]

The following is a listing and brief description of the tables:

- Table 1. Lending Volume** - Presents the number and dollar amount of reportable loans originated and purchased by the bank over the evaluation period by MA/assessment area. Community development loans to statewide or regional entities or made outside the bank’s assessment area may receive positive CRA consideration. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.
- Table 1. Other Products** - Presents the number and dollar amount of any unreported category of loans originated and purchased by the bank over the evaluation period by MA/assessment area. Examples include consumer loans or other data that a bank may provide, at its option, concerning its lending performance. This is a two-page table that lists specific categories.
- Table 2. Geographic Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.
- Table 3. Geographic Distribution of Home Improvement Loans** - See Table 2.
- Table 4. Geographic Distribution of Home Mortgage Refinance Loans** - See Table 2.
- Table 5. Geographic Distribution of Multifamily Loans** - Compares the percentage distribution of the number of multifamily loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of multifamily housing units throughout those geographies. The table also presents market share information based on the most recent aggregate market data available.

- Table 6. Geographic Distribution of Small Loans to Businesses** - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small business data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 7. Geographic Distribution of Small Loans to Farms** - The percentage distribution of the number of small loans (less than or equal to \$500,000) to farms originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of farms (regardless of revenue size) throughout those geographies. The table also presents market share information based on the most recent aggregate market data available. Because small farm data are not available for geographic areas smaller than counties, it may be necessary to use geographic areas larger than the bank's assessment area.
- Table 8. Borrower Distribution of Home Purchase Loans** - Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of families by income level in each MA/assessment area. The table also presents market share information based on the most recent aggregate market data available.
- Table 9. Borrower Distribution of Home Improvement Loans** - See Table 8.
- Table 10. Borrower Distribution of Refinance Loans** - See Table 8.
- Table 11. Borrower Distribution of Small Loans to Businesses** - Compares the percentage distribution of the number of small loans (less than or equal to \$1 million) originated and purchased by the bank to businesses with revenues of \$1 million or less to the percentage distribution of businesses with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the business. Market share information is presented based on the most recent aggregate market data available.
- Table 12. Borrower Distribution of Small Loans to Farms** - Compares the percentage distribution of the number of small loans (less than or equal to \$500,000) originated and purchased by the bank to farms with revenues of \$1 million or less to the percentage distribution of farms with revenues of \$1 million or less. In addition, the table presents the percentage distribution of the number of loans originated and purchased by the bank by loan size, regardless of the revenue size of the farm. Market share information is presented based on the most recent aggregate market data available.
- Table 13. Geographic and Borrower Distribution of Consumer Loans (OPTIONAL)** - For geographic distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of households within each geography. For

borrower distribution, the table compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage of households by income level in each MA/assessment area.

Table 14. Qualified Investments - Presents the number and dollar amount of qualified investments made by the bank in each MA/AA. The table separately presents investments made during prior evaluation periods that are still outstanding and investments made during the current evaluation period. Prior-period investments are reflected at their book value as of the end of the evaluation period. Current period investments are reflected at their original investment amount even if that amount is greater than the current book value of the investment. The table also presents the number and dollar amount of unfunded qualified investment commitments. In order to be included, an unfunded commitment must be legally binding and tracked and recorded by the bank's financial reporting system.

A bank may receive positive consideration for qualified investments in statewide/regional entities or made outside of the bank's assessment area. See Interagency Q&As __.12 (i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such investments. Refer to the CRA section of the Compliance Policy intranet page for guidance on table placement.

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings - Compares the percentage distribution of the number of the bank's branches in low-, moderate-, middle-, and upper-income geographies to the percentage of the population within each geography in each MA/AA. The table also presents data on branch openings and closings in each MA/AA.

Table 1. Lending Volume

LENDING VOLUME		Geography: 2012-2015 BRIDGEHAMPTON						Evaluation Period: JANUARY 1, 2012 TO OCTOBER 26, 2015				
Assessment Area (2015):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	#	\$(000's)	
Full Review:												
2014 - 2015 Bridgehampton AA	100.00	108	34,029	517	113,225	0	0	29	40,149	625	147,254	100.00
Outside Bridgehampton AA								39	165,029			
Full Review:												
2012 - 2013 Bridgehampton AA	100.00	125	44,043	606	139,639	0	0	8	18,178	731	183,682	100.00
Outside Bridgehampton AA								9	26,354			

* Loan Data as of October 26, 2015. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from January 01, 2012 to October 26, 2015.

*** Deposit Data as of October 26, 2015. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 1. Other Products

LENDING VOLUME		Geography: 2012-2015 BRIDGEHAMPTON								Evaluation Period: JANUARY 1, 2012 TO OCTOBER 26, 2015				
Assessment Area (2015):	% of Rated Area Loans (#) in MA/AA*	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:														
2014 - 2015 Bridgehampton AA	100.00	430	313,391	18	5,974	77	13,318	1	17	0	0	49	17,231	100.00
Full Review:														
2012 - 2013 Bridgehampton AA	100.00	7	2,066	7	2,066	0	0	0	0	0	0	0	0	100.00

* Loan Data as of October 26, 2015. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Optional Product Line(s) is from January 01, 2014 to October 26, 2015. These loans were not included in our analysis.

*** Deposit Data as of October 26, 2015. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 1. Other Products

LENDING VOLUME		Geography: 2012-2015 BRIDGEHAMPTON		Evaluation Period: JANUARY 1, 2012 TO OCTOBER 26, 2015	
	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
Assessment Area (2015):					
Full Review:					
	110	4,191	175	272,660	
2014 - 2015 Bridgehampton AA					
Full Review:					
	0	0	0	0	
2012 - 2013 Bridgehampton AA					

* The evaluation period for Optional Product Line(s) is from January 01, 2014 to October 26, 2015.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: 2012-2015 BRIDGEHAMPTON								Evaluation Period: JANUARY 1, 2012 TO OCTOBER 26, 2015					
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
2014 - 2015 Bridgehampton AA	33	100.00	1.02	0.00	14.18	63.64	61.34	30.30	23.46	6.06	0.09	0.00	0.36	0.04	0.03
Full Review:															
2012 - 2013 Bridgehampton AA	57	100.00	0.96	0.00	20.68	31.58	62.11	59.65	16.25	8.77	0.19	0.00	0.29	0.17	0.12

* Based on 2014 Peer Mortgage Data -- US and PR

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

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: 2012-2015 BRIDGEHAMPTON									Evaluation Period: JANUARY 1, 2012 TO OCTOBER 26, 2015				
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
2014 - 2015 Bridgehampton AA	7	100.00	1.02	0.00	14.18	57.14	61.34	42.86	23.46	0.00	0.33	0.00	1.38	0.21	0.00
Full Review:															
2012 - 2013 Bridgehampton AA	2	100.00	0.96	0.00	20.68	0.00	62.11	100.00	16.25	0.00	0.11	0.00	0.00	0.17	0.00

* Based on 2014 Peer Mortgage Data -- US and PR

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

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

**** Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: 2012-2015 BRIDGEHAMPTON								Evaluation Period: JANUARY 1, 2012 TO OCTOBER 26, 2015					
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography [*]				
	#	% of Total ^{**}	% Owner Occ Units ^{***}	% BANK Loans ^{****}	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
2014 - 2015 Bridgehampton AA	57	100.00	1.02	0.00	14.18	68.42	61.34	26.32	23.46	5.26	0.28	0.00	1.42	0.09	0.09
Full Review:															
2012 - 2013 Bridgehampton AA	56	100.00	0.96	0.00	20.68	32.14	62.11	64.29	16.25	3.57	0.15	0.00	0.22	0.16	0.00

^{*} Based on 2014 Peer Mortgage Data -- US and PR

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

^{***} Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2010 Census information.

^{****} Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY		Geography: 2012-2015 BRIDGEHAMPTON								Evaluation Period: JANUARY 1, 2012 TO OCTOBER 26, 2015					
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography [*]				
	#	% of Total ^{**}	% of MF Units ^{***}	% BANK Loans ^{****}	% MF Units ^{***}	% BANK Loans	% MF Units ^{***}	% BANK Loans	% MF Units ^{***}	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
2014 - 2015 Bridgehampton AA	11	100.00	7.87	0.00	28.61	45.45	51.08	36.36	12.45	18.18	4.81	0.00	10.71	3.28	0.00
Full Review:															
2012 - 2013 Bridgehampton AA	10	100.00	0.76	0.00	39.39	80.00	55.45	10.00	4.39	10.00	9.09	0.00	14.29	4.00	20.00

^{*} Based on 2014 Peer Mortgage Data -- US and PR

^{**} Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

^{***} Percentage of Multi Family Units is the number of multifamily units in a particular geography divided by the number of multifamily housing units in the area based on 2010 Census information.

^{****} Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES		Geography: 2012-2015 BRIDGEHAMPTON										Evaluation Period: JANUARY 1, 2012 TO OCTOBER 26, 2015				
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% of Businessess***	% BANK Loans	% of Businessess***	% BANK Loans	% of Businessess***	% BANK Loans	% of Businessess***	% BANK Loans	Overall	Low	Mod	Mid	Upp	
Full Review:																
2014 - 2015 Bridgehampton AA	517	100.00	1.46	0.58	14.81	29.01	59.08	63.44	24.64	6.96	0.40	0.32	0.79	0.47	0.08	
Full Review:																
2012 - 2013 Bridgehampton AA	606	100.00	0.62	0.50	20.32	25.08	63.24	69.47	15.82	4.95	0.87	0.49	1.17	0.97	0.28	

* Based on 2014 Peer Small Business Data -- US and PR

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

*** Source Data - Dun and Bradstreet (2015).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: 2012-2015 BRIDGEHAMPTON										Evaluation Period: JANUARY 1, 2012 TO OCTOBER 26, 2015				
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography [*]					
	#	% of Total ^{**}	% of Farms ^{***}	% BANK Loans	% of Farms ^{***}	% BANK Loans	% of Farms ^{***}	% BANK Loans	% of Farms ^{***}	% BANK Loans	Overall	Low	Mod	Mid	Upp	
Full Review:																
2014 - 2015 Bridgehampton AA	0	0.00	1.66	0.00	18.98	0.00	61.65	0.00	17.70	0.00	0.00	0.00	0.00	0.00	0.00	
Full Review:																
2012 - 2013 Bridgehampton AA	0	0.00	0.54	0.00	22.00	0.00	64.15	0.00	13.32	0.00	0.00	0.00	0.00	0.00	0.00	

^{*} Based on 2014 Peer Small Business Data -- US and PR

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

^{***} Source Data - Dun and Bradstreet (2015).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: 2012-2015 BRIDGEHAMPTON									Evaluation Period: JANUARY 1, 2012 TO OCTOBER 26, 2015				
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share [*]				
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ¹	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	Overall	Low	Mod	Mid	Upp
Full Review:															
2014 - 2015 Bridgehampton AA	33	100.00	19.02	0.00	18.46	5.26	23.78	5.26	38.74	89.47	0.06	0.00	0.02	0.01	0.14
Full Review:															
2012 - 2013 Bridgehampton AA	57	100.00	19.92	2.27	20.12	9.09	24.95	13.64	35.02	75.00	0.16	0.10	0.00	0.07	0.36

^{*} Based on 2014 Peer Mortgage Data -- US and PR

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

^{***} Percentage of Families is based on the 2010 Census information.

^{****} As a percentage of loans with borrower income information available. No information was available for 42.4% of loans originated and purchased by bank.

¹ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: 2012-2015 BRIDGEHAMPTON									Evaluation Period: JANUARY 1, 2012 TO OCTOBER 26, 2015				
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share [*]				
	#	% of Total ^{**}	% Families ^{**}	% BANK Loans ^{****}	% Families ²	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	Overall	Low	Mod	Mid	Upp
Full Review:															
2014 - 2015 Bridgehampton AA	7	100.00	19.02	25.00	18.46	25.00	23.78	25.00	38.74	25.00	0.20	0.57	0.26	0.18	0.11
Full Review:															
2012 - 2013 Bridgehampton AA	2	100.00	19.92	0.00	20.12	0.00	24.95	0.00	35.02	100.00	0.06	0.00	0.00	0.00	0.16

^{*} Based on 2014 Peer Mortgage Data -- US and PR

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

^{***} Percentage of Families is based on the 2010 Census information.

^{****} As a percentage of loans with borrower income information available. No information was available for 42.9% of loans originated and purchased by bank.

² Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: 2012-2015 BRIDGEHAMPTON								Evaluation Period: JANUARY 1, 2012 TO OCTOBER 26, 2015					
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share [*]				
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ³	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	Overall	Low	Mod	Mid	Upp
Full Review:															
2014 - 2015 Bridgehampton AA	57	100.00	19.02	0.00	18.46	0.00	23.78	6.25	38.74	93.75	0.08	0.00	0.00	0.03	0.19
Full Review:															
2012 - 2013 Bridgehampton AA	56	100.00	19.92	0.00	20.12	15.38	24.95	10.26	35.02	74.36	0.10	0.00	0.06	0.06	0.16

^{*} Based on 2014 Peer Mortgage Data -- US and PR

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

^{***} Percentage of Families is based on the 2010 Census information.

^{****} As a percentage of loans with borrower income information available. No information was available for 71.9% of loans originated and purchased by bank.

³ Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: 2012-2015 BRIDGEHAMPTON			Evaluation Period: JANUARY 1, 2012 TO OCTOBER 26, 2015				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share [*]	
	#	% of Total ^{**}	% of Businesses ^{***}	% BANK Loans ^{****}	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
2014 - 2015 Bridgehampton AA	517	100.00	81.72	60.74	53.97	19.15	26.89	0.40	0.70
Full Review:									
2012 - 2013 Bridgehampton AA	606	100.00	76.44	53.14	54.62	16.34	29.04	0.87	1.16

^{*} Based on 2014 Peer Small Business Data -- US and PR

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

^{***} Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2015).

^{****} Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 1.55% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: 2012-2015 BRIDGEHAMPTON			Evaluation Period: JANUARY 1, 2012 TO OCTOBER 26, 2015				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share [*]	
	#	% of Total ^{**}	% of Farms ^{***}	% BANK Loans ^{****}	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
Full Review:									
2014 - 2015 Bridgehampton AA	0	0.00	96.24	0.00	0.00	0.00	0.00	0.00	0.00
Full Review:									
2012 - 2013 Bridgehampton AA	0	0.00	96.34	0.00	0.00	0.00	0.00	0.00	0.00

^{*} Based on 2014 Peer Small Business Data -- US and PR

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

^{***} Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2015).

^{****} Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 0.00% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: BRIDGEHAMPTON AA				Evaluation Period: NOVEMBER 13, 2012 TO OCTOBER 26, 2015			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Bridgehampton AA	2	3,090	22	\$33,127	24	36,326	0.00	0	0

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS				Geography: BRIDGEHAMPTON AA				Evaluation Period: JANUARY 1, 2012 TO OCTOBER 26, 2015									
MA/Assessment Area:	Deposits	Branches				Branch Openings/Closings				Population							
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Bridgeton AA	100.00	40	0.00	0.00	17.50	65.00	17.50	19	1	0	+3	+8	+7	2.33	17.98	58.98	20.57

Distribution of Branch and ATM Delivery System

Distribution of Branch and ATM Delivery System																	
Geography: BRIDGEHAMPTON AA										Evaluation Period: JANUARY 1, 2012 TO OCTOBER 26, 2015							
MA/Assessment Area:	Deposits	Branches						ATMs						Population			
	% of Total Bank Deposits	# of Bank Branches	% of Total Bank Branches	Location of Branches by Income of Geographies (%)				#of Bank ATMs	% of Total Bank ATMs	Location of ATMs by Income of Geographies				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Bridgehampton AA	100.00	40	100.00	0.00	17.50	65.00	17.50	49	100	1	7	32	9	2.33	17.98	58.98	20.57