



# LARGE BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## PUBLIC DISCLOSURE

December 21, 2009

### COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Suffolk County National Bank of Riverhead  
Charter Number: 4230

6 West Second Street  
Riverhead, NY 11901

Office of the Comptroller of the Currency

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**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 “Outstanding”.

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

Performance Levels	Suffolk County National Bank of Riverhead Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding	X		X
High Satisfactory		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 and borrower distribution for home mortgage loans are excellent;
- The geographic distribution of small loans to businesses is excellent;
- A substantial majority of both home mortgage and small loans to businesses were made in the assessment area;
- The bank’s level of community development lending in the AA is excellent. Community development lending addressed community credit needs and had a positive effect on the lending test;
- The bank’s performance under the investment test is good; and
- The bank’s service delivery systems are readily accessible to individuals and geographies of different income levels.

## 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

The Suffolk County National Bank of Riverhead (SCNB) is the sole subsidiary of Suffolk Bancorp and is headquartered in Riverhead, New York. SCNB is an intrastate bank with 29 branches in Suffolk County, NY with assets of \$1.67 billion as of September 30, 2009. SCNB wholly owns two subsidiaries, a real estate investment trust and a licensed insurance company that provides employee benefit programs to businesses. Activities of the subsidiaries will not be considered and do not have any impact on the bank's CRA assessment.

The bank's strategy is to serve the financial needs of customers in Suffolk County. Business and retail customers are offered a full line of depository and credit services, including residential mortgages, commercial and consumer loans. As of September 30, 2009, net loans totaled \$1.1 billion and comprise 66% of total assets. The loan portfolio is broken down as follows: commercial loans secured by nonresidential real estate 32%, residential real estate loans 27%, commercial loans 20%, real estate construction loans 12%, consumer loans 8%, and agricultural loans 1%. Tier 1 Capital at September 30, 2009 was \$134 million.

There are no impediments, legal or otherwise, which would hinder the bank's ability to help meet the credit needs of its assessment area. The last CRA exam was dated October 16, 2006 and resulted in an "Outstanding" rating.

## Scope of the Evaluation

### Evaluation Period/Products Evaluated

The evaluation period for the lending test for home mortgages reported under the Home Mortgage Disclosure Act (HMDA) and for small loans to businesses is from January 1, 2006 through September 30, 2009. Market comparisons are based on 2008 peer data, which was the most recently available data at the time of this evaluation.

The evaluation period for community development loans, investments, and service tests covers activities from September 15, 2006 through December 20, 2009. All qualified investments originated in prior periods and still outstanding at December, 20 2009 were also considered. We based our conclusions related to community development loans and qualified investments on the number and dollar amounts made during the evaluation period. 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.

Small farm lending and multifamily home lending are not primary business lines of the bank. An analysis of these products would not be meaningful and was not performed. Data for the nominal activity originated for small farm lending is included in the tables in Appendix C for informational purpose. No multifamily loans were originated during the evaluation period.

### Data Integrity

We conducted a data integrity review in September 2009. During this review, we analyzed a sample of small loans to businesses and home mortgage loans to ensure the accuracy of CRA and HMDA loan application register (LAR) data to be used in the CRA exam. Errors were detected in the CRA LAR; however, they were corrected prior to the start of the CRA examination. This examination was based on accurate data.

During the CRA exam, we verified that all of the community development loans, qualified investments and community development services meet the regulatory standards of community development.

### Selection of Areas for Full-Scope Review

All 29 of SCNB's branches are within Suffolk County, NY, a portion of the New York-Northern New Jersey-Long Island MSA #35620. The Suffolk assessment area (AA) represents SCNB's sole AA and received a full-scope review. Refer to the table in Appendix A and Market Profile in Appendix B for more information.

### Ratings

SCNB's overall rating was determined by the full-scope review of its sole AA in Suffolk County.

## Other

We conducted one community contact with a local affordable housing organization. The contact indicated that a major need in the area is affordable housing, although the recent economic downturn has also increased the need for foreclosure prevention and mediation.

## **Fair Lending or Other Illegal Credit Practices Review**

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.

## 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 "Outstanding". The geographic and borrower distribution for home mortgage loans are excellent. The geographic distribution of small loans to businesses is excellent, while the borrower distribution of loans made to small businesses is adequate. The level of CD loans is excellent and the bank has provided flexible lending programs that are responsive to identified affordable housing needs.

#### Lending Activity

Refer to Table 1 Lending Volume and Tables 1 Other Products in Appendix C for the facts and data used to evaluate the bank's lending activity.

SCNB's lending activity in the AA is good. During the evaluation period, the bank originated 1,250 home mortgage loans totaling \$198 million; 2,788 small loans to businesses totaling \$419 million; and 17 community development loans totaling \$42.1 million. Home purchase loans represent 20%, home improvement loans 29%, and home refinance loans 51% of home mortgage loans.

As part of the lending test, we compared the deposit market share to market share for individual loan products. The smallest statistical area with both deposit and lending market share information for SCNB is the Nassau-Suffolk Metropolitan Division (#35004). As of June 30, 2008, SCNB held 1.39% of the deposits in the market (ranked 12<sup>th</sup> out of 47 institutions).

The most recent loan market share information for home mortgage loans was from 2008 and for small loans to business was from 2007. Overall market share for home mortgage loans was 0.49% (ranked 31<sup>st</sup> out of 418 lenders). For individual home mortgage loan products, market shares were: 0.33% for home purchase loans (36<sup>th</sup> out of 324 lenders); 0.33% for mortgage refinance loans (43<sup>rd</sup> out of 344 lenders); and 2.04% for home improvement loans (14<sup>th</sup> out of 113 lenders). Market share for small loans to business was 0.31% (19<sup>th</sup> out of 135 lenders).

With the exception of home improvement loans, the market shares of lending products are lower than the market share of deposits. However, the number of institutions in the lending markets is significantly higher than the number of institutions in the deposit market. These additional institutions are typically non-bank financial companies or large, nationwide financial companies with significantly more deposit, branch, and marketing resources. Given the increased pool of competitors in the lending markets, SCNB ranked higher on a percentage basis for lending market share than deposit market share. SCNB ranged within the 7<sup>th</sup> percentile to the 14<sup>th</sup> percentile for lending product market share among institutions serving the market, while SCNB ranks in the 26<sup>th</sup> percentile of deposit taking institutions serving the market (12 out of 47).

## **Distribution of Loans by Income Level of the Geography**

### ***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 and purchases.

The geographic distribution of home purchase loans is excellent. The percentage of home purchase loans distributed among low-income geographies exceeds the percentage of owner-occupied units in low-income geographies in the AA. The percentage of home purchase loans distributed among moderate-income geographies exceeds the percentage of owner-occupied units in moderate-income geographies in the AA. The market share of home purchase loans originated in low-income geographies is near to the bank's overall market share. The market share originated in moderate-income geographies exceeds the bank's overall market share in the AA.

The geographic distribution of home improvement loans is excellent. The percentage of home improvement loans distributed among low-income geographies in the AA is near to the percentage of owner-occupied units in low-income geographies in the AA. The percentage distributed among moderate-income geographies exceeds the percentage of owner-occupied units. Our evaluation gave more weight to the distribution in moderate-income geographies due to the limited number of owner-occupied units in low-income geographies. Within the AA, low-income geographies represent 0.25% of owner-occupied units, or less than 1,000 units, compared to 19.39% of all owner-occupied units in moderate-income geographies. The market share of home improvement loans originated in low- and moderate-income geographies exceeds the overall market share in the AA.

The geographic distribution of home refinance loans is excellent. The percentage of home refinance loans distributed among low-income geographies in the AA is near to the percentage of owner-occupied units in low-income geographies in the AA. The percentage originated in moderate-income geographies exceeds the percentage of owner-occupied units. The market share of home refinance loans originated in low-geographies is lower than the bank's overall market share. The market share originated in moderate-income geographies exceeds the overall market share in the AA. Given the limited opportunities to lend in low-income geographies as previously noted, more weight was given to the distribution in moderate-income geographies.

### ***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 geographic distribution of small loans to businesses is excellent. The percentage of small loans made to businesses in moderate-income geographies exceeds the percentage of businesses that are located in these geographies. The percentage of small loans made to businesses in low-income geographies is near to the percentage of businesses that are located in these geographies. However, when considering the opportunities to service businesses in low-income geographies is limited to 0.51%, or less than 800 businesses, compared to 21.45% in moderate-income geographies, more weight was given to the distribution in moderate-income geographies. The market share of small loans to businesses in low- and moderate-income geographies exceeds the overall market share in the AA.

***Lending Gap Analysis***

Through review of loan application registers, we did not detect any conspicuous or unexplained gaps in lending patterns that would reveal low loan penetration in low- or moderate-income geographies.

***Inside/Outside Ratio***

A substantial majority of home mortgage loans (96%) and small loans to businesses (98%) were made within the AA. This test only considers originations and purchases of loans, and does not consider the activity of any subsidiaries.

**Distribution of Loans by Income Level of the Borrower**

The overall distribution of loans by income level of the borrower is excellent. More weight was placed on the distribution of home mortgage loans than on the distribution of small loans to businesses given there is an identified need for affordable housing.

***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 mortgage lending to borrowers of different income levels is excellent. The percentage of home purchase loans made to low-income borrowers in the AA is somewhat lower than the percentage of low-income families in the AA. Opportunities to lend to low-income borrowers are limited given the high cost of housing relative to income. Six percent of the population is below the poverty level and 22% of available housing has monthly owner costs exceeding 30% of income (a measure of affordability). The percentage of home purchase loans made to moderate-income borrowers in the AA exceeds the percentage of moderate-income families in the AA. The market share to both low- and moderate-income borrowers exceeds the overall market share in the AA.

SCNB’s distribution of home improvement loans to borrowers of different income levels is excellent. The percentage of home improvement loans made to low-income borrowers in the AA is somewhat lower than the percentage of low-income families in the AA. However, as noted above, opportunities to lend to low-income borrowers are limited. The percentage of home improvement loans made to moderate-income borrowers in the AA exceeds the

percentage of moderate-income families in the AA. The market share for both low- and moderate-income borrowers exceeds the overall market share in the AA.

SCNB's distribution of home mortgage refinance loans to borrowers of different income levels is excellent. The percentage of home refinance loans made to low-income borrowers in the AA is near to the percentage of low-income families in the AA. The percentage of home refinance loans made to moderate-income borrowers in the AA exceeds the percentage of moderate-income families in the AA. The market share of home purchase loans originated in low-income geographies exceeds the bank's overall market share, while the market share originated in moderate-income geographies is near to the overall market share.

### ***Small Loans to Businesses***

Refer to Table 11 in Appendix C for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

SCNB's distribution of small loans to businesses of different sizes is adequate. The percentage of small loans made to small businesses is lower than the percent of small businesses in the AA. This is due primarily to SCNB experiencing a shift in the credit environment for small business owners. In the past 3 to 4 years, the use of business credit cards has become one of the primary means of financing smaller purchases, due to the convenience of not having to go through an underwriting process for each transaction. As a result, SCNB has seen a dramatic increase in the number of business credit card applications and approvals. In 2009 alone, the number of business credit card approvals was nearly one quarter the number of small loans made, reducing the number of reportable small loans. Another factor that has affected small business lending is the rise of vendor financing. SCNB has found they are financing the accounts receivable of local vendors instead of directly financing purchases with a small business. This has dramatically increased the number of small loans made to larger businesses, directly affecting the ratios used for this analysis. These mitigating factors, and SNCB's market share of small loans to small businesses exceeding their overall market share, had a positive effect on our conclusion about the distribution of small loans to businesses of different sizes.

### **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.

The level of CD loans is excellent and had a positive impact on the Lending Test rating. During the evaluation period, the bank originated 17 loans totaling \$42.1 million, or 31% of tier 1 capital at September 30, 2009. CD loans were made to construct, renovate, and fund operations of learning facilities, nursing homes, and affordable housing for low- and moderate-income individuals. Additionally CD loans were made to redevelop and revitalize communities located in moderate-income areas. Examples of community development loans include:

- \$12.7 million to redevelop and revitalize the downtown of a moderate-income area. The redevelopment will include several mixed-use properties which will create retail space to provide permanent jobs for low- and moderate-income individuals and will also provide affordable rental units, an identified need in the AA.
- \$5.4 million, including a \$4 million purchase loan, and a \$1.4 million line of credit for a nursing home that primarily cares for low- and moderate-income persons.
- \$3.5 million revolving credit facility to a non-profit organization that specializes in the education, housing, and vocational training of developmentally disabled individuals who are primarily low- and moderate-income. The loan is to bridge the acquisition and renovation costs of group homes with permanent financing.

## **Product Innovation and Flexibility**

The bank offers flexible products through an affordable mortgage loan program that targets low- and moderate-income borrowers. This program is responsive to affordable housing needs of the AA by offering underwriting standards and terms that are more favorable than conventional products such as lower down payment requirements and higher debt ratios. During the evaluation period, the bank originated 40 loans totaling \$7.4 million, or 3.2% of all home mortgage loans originated. Some of the mortgages were issued under a State of New York Mortgage Association program. This flexible program had a positive impact on the Lending Test rating.

## **INVESTMENT TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the investment test is rated "High Satisfactory". The bank's performance in the Suffolk AA is good.

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

During the evaluation period, the bank originated 128 investments totaling \$4.5 million (118 grants and 10 investments). Additionally, we considered nine prior period investments totaling \$3.3 million. Performance is good as the majority of investments target an identified need in the AA, affordable housing. Additionally, opportunities for investments, particularly affordable housing projects, have been limited in the last two years as a nationwide recession reduced the number of ongoing and planned affordable housing projects. Furthermore, both bank management and our community contact stated that there is widespread resistance in municipalities to create additional affordable housing.

Current period investments constitute three investments totaling \$3.5 million for a school district that assists in serving troubled children, families and developmentally disabled people within the AA, the majority of whom are low- and moderate-income. Seven investments, totaling \$730 thousand, financed the acquisition, rehabilitation and construction of affordable, safe, and sanitary housing for low- and moderate income persons in the AA. Additionally, \$200 thousand in donations were made to organizations which benefited low- and moderate-income families, individuals, and geographies in the AA. These current period investments have a positive impact on the Investment Test.

Eight of the nine prior period investments have a continuing impact to the AA as they assisted in the construction and permanent financing of affordable housing, an identified need. These investments had a positive impact on the Investment Test. None of the investments are considered complex or innovative.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Service Test is rated "Outstanding". The bank's performance in the Suffolk AA is excellent.

#### **Retail Banking Services**

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

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.

All of SCNB's 29 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 2 of 320 tracts designated low income. In addition, only 0.42% of the low-income population lives in low income geographies. Moderate income geographies are home to 18.9% of low-income individuals.

During the evaluation period, two branches were opened, one located in a moderate-income geography and one in a middle-income. 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. SCNB is responsive to the retail banking needs of the communities they serve by adjusting operating hours based on customer feedback and suggestions.

SCNB offers alternative delivery systems which include bank-by-mail, bank-by-phone, ATM's, and Internet 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.

#### **Community Development Services**

The level of community development services is good. A number of branch managers and executives are members of and provide technical assistance to organizations such as economic development and redevelopment councils and local non-profits. These organizations serve low- and moderate-income individuals and areas by creating permanent jobs and additional affordable housing. In addition, the bank as a whole assists in fundraising activities for non-profit organizations who conduct community development activities such as

food banks, homeless shelters, and organizations that provide assistance to needy or distressed children and families. These activities directly benefit low- and moderate-income individuals. SCNB has been recognized by some of these organizations for providing exceptional assistance.

## 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”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD Loans): (01/01/06 to 09/30/09) Investment and Service Tests and CD Loans: (09/15/06 to 12/20/09)	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
The Suffolk County National Bank of Riverhead (SCNB) Riverhead, NY	Home mortgages and small loans to businesses, community development loans, qualified investments and community development services.	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
Not Applicable		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Suffolk AA	Full-Scope	Includes the entirety of Suffolk County, NY (County #103). Part of the Nassau-Suffolk Metropolitan Division (#35004), which is part of the New York-Northern New Jersey-Long Island MSA (#35620).

## Appendix B: Market Profiles for Full-Scope Areas

### Suffolk Assessment Area

Demographic Information for Full Scope Area: Suffolk Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	320	0.63	20.00	61.56	15.31	2.50
Population by Geography	1,419,369	0.42	23.14	61.73	14.70	0.01
Owner-Occupied Housing by Geography	374,371	0.25	19.39	63.57	16.78	0.00
Business by Geography	150,403	0.51	20.69	60.74	18.04	0.02
Farms by Geography	3,864	0.26	21.45	63.33	14.96	0.00
Family Distribution by Income Level	362,857	19.31	20.10	25.32	35.28	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	142,974	0.62	30.22	60.25	8.91	0.00
Median Family Income HUD Adjusted Median Family Income for 2009 Households Below Poverty Level		76,221 101,800 6%	Median Housing Value Unemployment Rate (2000 US Census)	207,175 1.97%		

(\*) The NA category consists of geographies that have not been assigned an income classification.  
Source: 2000 US Census and 2009 HUD updated MFI

The assessment area (AA) includes all of Suffolk County, NY which is part of the New York-Northern New Jersey-Long Island MSA. The AA meets regulatory guidelines as it corresponds to an accepted political subdivision (county) and does not arbitrarily exclude any low- or moderate-income areas. All 29 full service retail branch and 29 ATMs (two stand-alone) are located in the AA.

Suffolk County encompasses 912 square miles of eastern Long Island. Headquarters of the bank is located in the county seat of Riverhead, about 75 miles east of Manhattan. Suffolk is urban and suburban in character, with an estimated 1.5 million residents as of 2008. The western portion of the county has become a high technology center with expanding biotechnology industries, but is also a bedroom community for New York City commuters. The eastern part of the county is known for its farming, fishing, and resort communities.

Unemployment increased sharply in 2008 and 2009 and stands at 7.1%, but is below the national average of 10%. The majority of jobs recently lost were in the financial and professional services sectors. The economy is expected to be relatively stable long-term due to the high labor concentration in health services (the county has one of the highest average population ages in the country) and education (two major university's are located in the county).

Housing in the area is largely owner-occupied and is very expensive. According to 2000 census data, the median housing value was \$207 thousand, almost three times the median family income. In addition, 22% of owner-occupied housing has monthly costs exceeding 30% of income

This AA is in a highly competitive banking environment, served by several national and large regional banks. In the Nassau-Suffolk Metropolitan Division (#35004, the smallest statistical area with both deposit and lending market share information), SCNB held 1.39% of the deposits in the market (as of June 30, 2008, ranked 12<sup>th</sup> out of 47 institutions), made 0.49% of home mortgage loans in the market in 2008 (ranked 31<sup>st</sup> out of 418 lenders), and made 0.31% of small loans to business in the market in 2007 (ranked 19<sup>th</sup> out of 135 lenders). The three banks with the highest deposit market shares, as of June 30, 2009, were Capital One, NA (17.62%), JP Morgan Chase Bank NA (15.08%), and Citibank NA (11.69%). The three banks with the highest home mortgage lending market shares in 2008 (includes home purchase, improvement, and refinance loans, in descending order) were JP Morgan Chase Bank NA (18.31%), Wells Fargo, NA (9.96%) and Countrywide Bank, FSB (7.18%). The three banks with the highest small loans to business market shares in 2007 were American Express Bank, FSB (35.96%), Chase Bank USA, NA (15.52%), and Citibank, NA (14.27%).

Community contacts conducted identified a pressing need within the AA for affordable housing. The county has some of the most expensive housing prices, cost of living, and property taxes in the state. In addition, the area has developed with very little rental housing (less than 20% of housing units) which are usually only one or two bedrooms and not suited for families. The creation of new affordable housing and availability of flexible programs that allow low- and moderate-income individuals to purchase housing are identified as community development needs.

## Appendix C: Tables of Performance Data

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### 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: SUFFOLK COUNTY						Evaluation Period: JANUARY 1, 2006 TO SEPTEMBER 30, 2009				
Assessment Area (2009):	% 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 MSA ***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Suffolk Assessment Area	100.00	1,250	198,051	2,788	419,310	32	4,410	17	42,105	4,084	653,876	0.16

\* Loan Data as of September 30, 2009. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2006 to September 30, 2009.

\*\*\* Deposit Data as of June 30 2009. Rated Area refers to either the state, multi-state MSA, or institution, as appropriate.

**Table 1. Other Products**

LENDING VOLUME		Geography: SUFFOLK COUNTY						Evaluation Period: JANUARY 1, 2006 TO SEPTEMBER 30, 2009						
Assessment Area (2009):	% 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)	
<b>Full Review:</b>														
Suffolk Assessment Area	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.00

\* Loan Data as of September 30, 2009. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Optional Product Line(s) is from January 01, 2006 to September 30, 2009.

\*\*\* Deposit Data as of December 14, 2009. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 1. Other Products**

LENDING VOLUME		Geography: SUFFOLK COUNTY		Evaluation Period: JANUARY 1, 2006 TO SEPTEMBER 30, 2009	
Assessment Area (2009):	Other Unsecured Consumer Loans		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>					
Suffolk Assessment Area	NA	NA	NA	NA	NA

\* The evaluation period for Optional Product Line(s) is from January 01, 2006 to September 30, 2009.

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

Geographic Distribution: HOME PURCHASE 30, 2009			Geography: SUFFOLK COUNTY						Evaluation Period: JANUARY 1, 2006 TO SEPTEMBER						
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
<b>Full Review:</b>															
Suffolk Assessment Area	332	100.00	0.25	0.30	19.39	47.29	63.57	42.17	16.78	10.24	0.62	0.00	1.20	0.38	0.66

\* Based on 2008 Peer Mortgage Data (Eastern)

\*\* 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 2000 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 30, 2009		Geography: SUFFOLK COUNTY								Evaluation Period: JANUARY 1, 2006 TO SEPTEMBER					
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	Overa ll	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Suffolk Assessment Area	467	100.00	0.25	0.21	19.39	33.83	63.57	57.39	16.78	8.57	3.45	6.25	5.69	2.90	2.04

\* Based on 2008 Peer Mortgage Data (Eastern)

\*\* 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 2000 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 SEPTEMBER 30, 2009			Geography: SUFFOLK COUNTY						Evaluation Period: JANUARY 1, 2006 TO						
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
<b>Full Review:</b>															
Suffolk Assessment Area	451	100.00	0.25	0.22	19.39	41.46	63.57	53.22	16.78	5.10	0.55	0.00	0.92	0.47	0.25

\* Based on 2008 Peer Mortgage Data (Eastern)

\*\* 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 2000 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 2009		Geography: SUFFOLK COUNTY						Evaluation Period: JANUARY 1, 2006 TO SEPTEMBER 30,							
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	Overa II	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Suffolk Assessment Area	0	0.00	0.35	0.00	37.14	0.00	55.64	0.00	6.87	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2008 Peer Mortgage Data (Eastern)

\*\* 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 multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 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 SEPTEMBER 30, 2009				Geography: SUFFOLK COUNTY				Evaluation Period: JANUARY 1, 2006 TO							
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 Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Suffolk Assessment Area	2,788	100.00	0.51	0.50	20.69	29.70	60.74	63.56	18.04	6.24	0.94	1.28	1.55	0.99	0.36

\* Based on 2008 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 (2009).

**Table 7. Geographic Distribution of Small Loans to Farms**

Geographic Distribution: SMALL LOANS TO FARMS SEPTEMBER 30, 2009		Geography: SUFFOLK COUNTY								Evaluation Period: JANUARY 1, 2006 TO					
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
<b>Full Review:</b>															
Suffolk Assessment Area	32	100.00	0.26	0.00	21.45	37.50	63.33	59.38	14.96	3.13	2.61	0.00	6.67	2.26	0.00

\* Based on 2008 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 (2009).

**Table 8. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE 30, 2009		Geography: SUFFOLK COUNTY						Evaluation Period: JANUARY 1, 2006 TO SEPTEMBER							
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>1</sup>				
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>1</sup>	% BANK Loans <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>**</sup>	% BANK Loans <sup>****</sup>	Overa ll	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Suffolk Assessment Area	332	100.00	19.31	15.21	20.10	30.74	25.32	17.80	35.28	36.25	0.69	2.66	1.07	0.33	0.64

<sup>\*</sup> Based on 2008 Peer Mortgage Data (Eastern)

<sup>\*\*</sup> 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.

<sup>\*\*\*</sup> Percentage of Families is based on the 2000 Census information.

<sup>\*\*\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 6.9% of loans originated and purchased by bank.

<sup>1</sup> 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 30, 2009		Geography: SUFFOLK COUNTY								Evaluation Period: JANUARY 1, 2006 TO SEPTEMBER					
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share <sup>†</sup>				
	#	% of Total <sup>**</sup>	% Families <sup>***</sup>	% BANK Loans <sup>****</sup>	% Families <sup>2</sup>	% BANK Loans <sup>****</sup>	% Families <sup>**</sup>	% BANK Loans <sup>****</sup>	% Families <sup>**</sup>	% BANK Loans <sup>****</sup>	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Suffolk Assessment Area	467	100.00	19.31	14.38	20.10	22.25	25.32	27.87	35.28	35.51	3.91	5.81	3.95	3.95	3.46

<sup>†</sup> Based on 2008 Peer Mortgage Data (Eastern)

<sup>\*\*</sup> 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.

<sup>\*\*\*</sup> Percentage of Families is based on the 2000 Census information.

<sup>\*\*\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 4.7% of loans originated and purchased by bank.

<sup>2</sup> 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 SEPTEMBER 30, 2009			Geography: SUFFOLK COUNTY						Evaluation Period: JANUARY 1, 2006 TO						
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 <sup>3</sup>	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans*** *	Overa ll	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Suffolk Assessment Area	451	100.00	19.31	17.60	20.10	21.43	25.32	28.57	35.28	32.40	0.64	1.37	0.53	0.44	0.78

\* Based on 2008 Peer Mortgage Data (Eastern)

\*\* 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 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 13.1% of loans originated and purchased by bank.

<sup>3</sup> 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 SEPTEMBER 30, 2009		Geography: SUFFOLK COUNTY			Evaluation Period: JANUARY 1, 2006 TO				
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 <sup>*</sup>	
	#	% of Total <sup>**</sup>	% of Businesses <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Suffolk Assessment Area	2,788	100.00	80.31	45.01	62.63	21.23	16.14	0.94	2.43

<sup>\*</sup> Based on 2008 Peer Small Business Data -- US and PR

<sup>\*\*</sup> 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.

<sup>\*\*\*</sup> Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2009).

<sup>\*\*\*\*</sup> 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 7.39% 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 30, 2009		Geography: SUFFOLK COUNTY				Evaluation Period: JANUARY 1, 2006 TO SEPTEMBER			
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 <sup>1</sup>	
	#	% of Total <sup>**</sup>	% of Farms <sup>***</sup>	% BANK Loans <sup>****</sup>	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Suffolk Assessment Area	32	100.00	96.66	46.88	68.75	9.38	21.88	2.61	2.08

<sup>1</sup> Based on 2008 Peer Small Business Data -- US and PR

<sup>\*\*</sup> 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.

<sup>\*\*\*</sup> Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2009).

<sup>\*\*\*\*</sup> 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 6.25% of small loans to farms originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS 2009		Geography: SUFFOLK COUNTY				Evaluation Period: JANUARY 1, 2006 TO SEPTEMBER 30,			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Suffolk Assessment Area	9	3,300	128	4,450	137	7,750	100.00	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 1, 2006 TO SEPTEMBER 30, 2009								Geography: SUFFOLK COUNTY				Evaluation Period: JANUARY					
MA/Assessment Area:	Deposit s	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposit s in AA	# of BANK Branch es	% of Rated Area Branch es in AA	Location of Branches by Income of Geographies (%)				# of Branch Openin gs	# of Branch Closing s	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Suffolk Assessment Area	100.00	29	100.00	0.00	37.93	58.62	3.45	2	0	0	1	1	0	0.42	23.14	61.73	14.70

## Distribution of Branch and ATM Delivery System

Distribution of Branch and ATM Delivery System 30, 2009		Geography: SUFFOLK COUNTY						Evaluation Period: JANUARY 1, 2006 TO SEPTEMBER									
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
<b>Full Review:</b>																	
Suffolk Assessment Area	100.00	29	100.00	0.00	37.93	58.62	3.45	29	100.00	0	10	18	1	0.42	23.14	61.73	14.70