



# LARGE BANK

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Comptroller of the Currency  
Administrator of National Banks

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Washington, DC 20219

## Public Disclosure

April 17, 2006

### Community Reinvestment Act **Performance Evaluation**

The Mahopac National Bank  
Charter Number: 13121

630 Route 6  
Mahopac, NY 10541

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 **Satisfactory**.

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

Performance Levels	(The Mahopac National Bank) Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory			X
Low Satisfactory	X	X	
Needs to Improve			
Substantial Noncompliance			

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

The major factors that support this rating include:

- The Mahopac National Bank's responsiveness to community credit needs is good. Lending activity is good in its assessment area (AA);
- A substantial majority of The Mahopac National Bank's loans were originated in its AA;
- The Mahopac National Bank has a good level of qualified community development loans which addressed identified community credit needs and;
- The Mahopac National 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.

**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 more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.

## Description of Institution

The Mahopac National Bank (MNB) is headquartered in Mahopac, New York, Putnam County, with executive offices in Brewster, New York in Putnam County which is approximately 60 miles north of New York City. MNB is a retail intrastate bank with seven full service branches as of the assessment period through 2005 in the three counties of Dutchess, Putnam, and Westchester, all of which are located in the lower Hudson Valley of New York State. Four branches are located in Putnam County, two in Dutchess County, and one in Westchester County. The branch located in Westchester County was opened in 2004. An eighth branch was opened in March 2006 in Putnam County. There were no branch closings during our evaluation period. All of the branches have on-site ATMs.

MNB is part of a three-bank holding company. The holding company is Tompkins Trustco Inc. (TTI) headquartered in Ithaca, NY. MNB's affiliates are Tompkins Trust Company and Bank of Castile. Tompkins Trust Company has branches located in central New York State. Bank of Castile's branches are located in western New York State. In addition to the bank affiliates, TTI also owns an insurance company and a financial planning company. Tompkins Trustco's total assets are \$2 billion. None of the activities of these affiliates were included in the preparation of this report.

MNB is a community bank that offers various products. These include personal and business checking accounts, savings accounts, visa cards, CD's, Internet banking, Individual Retirement Accounts (IRA's), consumer loans, student loans, home equity lines of credit, and residential mortgages.

MNB continues to experience growth. As of December 31, 2005, total assets were \$465 million, representing a 9% increase from the prior year, and a 33% increase from 2003. While total deposits increased only 1% from 2004 to \$413 million as of December 31, 2005, this represents a 23% increase from 2003. Total loans increased steadily to \$286 million, representing a 14% and 29% increase from 2004 and 2003 respectively.

As of December 31, 2005, net loans and leases represented 57 percent of total assets. The loan portfolio is comprised of residential mortgages and home equity loans (48%), commercial real estate loans (32%) commercial and industrial loans (13%), construction and development loans (5%), consumer loans (1.5%), and agricultural loans (.5%). Tier 1 Capital was \$32 million as of December 31, 2005 compared to \$29 million for the same period one year ago.

MNB operates in a very competitive environment. The bank's competitors include local community banks, regional banks, non-bank financial institutions, and mortgage companies. The bank has the financial capacity to assist in meeting the credit needs of its assessment area (AA). There are no legal, financial, or other factors which would impact the bank's ability to help meet the credit needs of its community.

Mahopac's performance under the Community Reinvestment Act was last evaluated on September 7, 1999, based upon standards applicable to small banks. The bank's overall level of performance was Satisfactory.

# **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 loans to small business is from January 1, 2003 through December 31, 2005. The bank originated an insignificant amount of multi-family and home improvement loans during the evaluation period. Therefore, an analysis of MNB's record of originating multifamily and home improvement loans would not have been meaningful and was not performed. Additionally, the bank did not originate any small loans to farms, therefore this product was not included in our evaluation. For community development loans, and the investment and service tests, the evaluation period is also from January 1, 2003 through December 31, 2005.

During the evaluation period, changes to census tract boundaries occurred. As a result of those changes, the evaluation of the Bank's performance under the lending test was conducted in two parts. Lending activity for 2003 was compared to 2000 census data, and 2004 through 2005 lending data was compared to 2000 census data with OMB changes. The lending test narrative comments will address the Bank's performance for each of these periods, namely 2003 and 2004-2005. Please see Appendix B, assessment area information for further details on the census tract changes.

## **Data Integrity**

During February of 2005, an evaluation of the integrity of The Mahopac National Bank's publicly filed information was performed to verify the accuracy of the data. The bank's HMDA and CRA data was found to be accurate and reliable. HMDA and CRA data collection, verification, and reporting systems are satisfactory. Minor errors were found, but were corrected while the OCC was onsite. Those errors did not have a significant impact on the evaluation.

## **Selection of Areas for Full-Scope Review**

We performed a full scope review of the bank's largest AA, Putnam – Westchester, which is part of the New York – Northern New Jersey – Long Island Metropolitan Statistical Area (MSA #35620). This AA accounts for 80 percent of total bank deposits. The bank made approximately 79 percent of its home mortgage loans and 71 percent of its small loans to businesses in this AA. The Putnam – Westchester AA consists of 55 census tracts including all of Putnam County and northern Westchester County. Please refer to appendix A for additional information.

The Dutchess AA was selected for limited scope review. This AA is part of the Poughkeepsie – Newburgh – Middletown, NY MSA (MSA #39100). This AA accounts for 20 percent of total bank deposits. The bank made approximately 21 percent of its home mortgage lending and 29 percent of its small loans to businesses in this AA. The Dutchess AA consists of 23 census tracts, all located in the county of Dutchess.

## **Ratings**

The bank's overall rating is based primarily on the full scope review of the Putnam – Westchester AA. Home purchase mortgages and small loans to businesses were given equal weight for the lending test. In 2003, home mortgage products accounted for approximately 65 percent of originated loans; small loans to businesses accounted for 35 percent. In the 2004-2005 evaluation period home mortgage products accounted for approximately 39 percent of originated loans, and small loans to businesses accounted for 61 percent.

It is important to note that The Mahopac National Bank's AA includes a total of 78 census tracts, the majority of which are upper income tracts, with only one Moderate-income tract in Westchester County and no low-income tracts in the AA. Therefore, as part of the lending test, more weight was placed on the distribution of loans by income level of the borrower than on the distribution of loans by income level of the geography.

## **Other**

During our review, we performed community contacts with a local community development agency and a local chamber of commerce. These agencies specialize in economic development and providing support to local businesses and the community. The contacts identified affordable housing and loans to small businesses in the area as the community's primary needs. Our contacts believe that The Mahopac National Bank actively participates in the community.

## **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 Low Satisfactory. Based on the full-scope review, the bank's performance in the Putnam – Westchester AA is adequate.

#### Lending Activity

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

#### *Putnam – Westchester AA*

Lending activity in the Putnam – Westchester AA is good. The bank's lending patterns are reflective of the credit needs of the community. Approximately 70 percent of the bank's lending is conducted in this AA. Loans to small businesses are among the identified credit needs of the community. In the 2003 evaluation period, 35 percent of MNB's lending in the AA was in small loans to businesses. In the 2004-2005 evaluation period, small loans to businesses represented 61 percent of the bank's lending in this AA.

The bank's lending to individuals is centered in home mortgage products. In the 2003 evaluation period, 65 percent of the bank's lending in the AA was in home mortgage products. Home refinancing accounted for approximately 86 percent of mortgage lending, while home purchases accounted for approximately 14 percent. In the 2004-2005 evaluation period, 39 percent of the bank's lending in the AA was in home mortgage products. Home refinancing accounted for 70 percent of mortgage lending, while home purchases accounted for 30 percent. The volume of multi-family and home improvement loans was so insignificant that they were not considered as part of this evaluation.

Based on the 2003 FDIC Deposit Market Share Report, The Mahopac National Bank was ranked 19<sup>th</sup> out of 37 institutions in deposit market share in the Putnam-Westchester AA, with a 1.02 percent market share. In 2003 The Mahopac National Bank had 4 branches and 85% of its deposits in the AA.

Based on 2003 HMDA Peer Mortgage Data:

- Market share for home purchase and home refinance loans is 0.5 and .94 respectively
- In home purchase lending, the bank ranked 38<sup>th</sup> out of 232 lenders
- In home refinance lending, the bank ranked 22<sup>nd</sup> out of 341 lenders

Based on the 2004 FDIC Deposit Market Share Report, The Mahopac National Bank ranked 17<sup>th</sup> out of 39 institutions for its market share of deposits, with a 1.01 percent market share as

of June 30, 2004. The bank ranked 18<sup>th</sup> out of 37 institutions for its market share of deposits, as of June 30, 2005, with a 1.02 percent market share.

Based on 2004 HMDA Peer Mortgage Data:

- Market share for home purchase and home refinance loans is .28% and .37%, respectively.
- For home purchase lending, Mahopac ranked 59<sup>th</sup> out of 244 lenders.
- For home refinance lending, Mahopac ranked 40<sup>th</sup> out of 271 lenders.

Based on 2004 Peer Small Business Data, Mahopac ranked 19<sup>th</sup> out of 120 lenders.

## **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 data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

It is important to note that for both evaluation periods, approximately 99 percent of the owner occupied units in the AA were in upper-income tracts. There is only one moderate-income census tract within the bank's AA. This moderate-income census tract is given more weight since there are no low-income census tracts in the Putnam-Westchester Assessment Area.

### **Home Purchase Lending**

The geographic distribution of home purchase loans is adequate. Based on 2000 U.S. census data, with the 2003 MSA boundaries, the bank has no low-income census tracts in the AA. Therefore, analysis of lending to low-income tracts is not meaningful and was not performed. According to 2000 census data with the 2004 MSA boundaries, the bank has no low-income census tracts in the AA. Therefore an analysis of lending to low-income tracts for this period is not meaningful and was not performed.

Based on the 2000 U.S. census data, with 2003 MSA boundaries, the bank did not make any home purchase loans in moderate-income geographies in 2003. However, the volume of owner occupied units in these geographies was very low, with only 0.03% of owner-occupied units in moderate-income geographies, which provided limited opportunities for the bank. Using 2000 census data with the 2004 MSA boundaries, the bank did not make any home purchase loans in moderate-income geographies in 2004-2005 either. However, there were also very limited opportunities, with only 0.03% of owner occupied units located in these geographies as well. The percentage of home purchase loans made in moderate-income geographies is less than the percentage of owner-occupied units in these geographies for both evaluations periods. The bank's market share in these geographies is less than the bank's overall market share of home purchase loans in the AA.

## Home Refinancing

The geographic distribution of home refinancing loans is adequate. Based on 2000 U.S. census data, with the 2003 MSA boundaries, the bank has no low-income census tracts in the AA. Therefore, analysis of lending to low-income tracts is not meaningful and was not performed. According to 2000 census data with the 2004 MSA boundaries, the bank has no low-income census tracts in the AA, therefore an analysis of lending to low-income tracts for this period is not meaningful and was not performed.

Based on the 2000 U.S. census data, with 2003 MSA boundaries, the bank did not make any home refinance loans in moderate-income geographies in 2003. However, the volume of owner occupied units in these geographies was very low (as described above), which provided limited opportunities for the bank. Using 2000 census data with the 2004 MSA boundaries, the bank did not make any home refinance loans in moderate-income geographies in 2004-2005 either. However, there were also very limited opportunities, in these geographies as well. The percentage of home refinance loans made in moderate-income geographies is less than the percentage of owner-occupied units in these geographies for both evaluations periods. The bank's market share in these geographies is less than the bank's overall market share of home purchase loans 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 geographic distribution of loans to small businesses is adequate. Based on 2000 U.S. census data with 2003 MSA boundaries, the bank has no low-income census tracts in the AA. Therefore, analysis of lending to low-income tracts is not meaningful and was not performed. Based on 2000 census data with 2004 MSA boundaries, the bank has no low-income census tracts in the AA, therefore an analysis of lending to low-income tracts is not meaningful and was not performed.

Based on the 2000 U.S. census data, with 2003 MSA boundaries, the bank did not make any small loans to businesses in moderate-income geographies in 2003. However, the volume of businesses in these geographies was very low, representing 1.31% of small businesses in the AA, which provided limited opportunities for the bank. Using 2000 census data with the 2004 MSA boundaries, the bank did not make any small loans to businesses in moderate-income geographies in 2004-2005 either. However, there were also very limited opportunities, in these geographies as well. The percentage of small loans to businesses made in moderate-income geographies is less than the percentage of businesses in these geographies for both evaluation periods. The bank's market share in these geographies is less than the bank's overall market share of loans to small businesses in the AA.

## **Lending Gap Analysis**

Our review of the geographic distribution of loans did not detect any conspicuous or unexplained gaps in The Mahopac National Bank's lending patterns.

### ***Inside/Outside Ratio***

We performed an analysis of Mahopac National Bank's lending within its AAs at the bank level as opposed to the individual AA levels. A substantial majority of The Mahopac National Bank's home purchase loans and home refinancing loans were inside its AA. For HMDA products, The Mahopac National Bank originated 74 percent of its loans inside its AA for the evaluation period. For small loans to businesses, 83 percent of all originations were inside its AA. This performance factored positively into the overall analysis of the geographic distribution of lending by income level of geography.

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

### ***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.

Borrower distribution for home mortgage lending is adequate when considering the difficulty that low-and moderate-income individuals have in purchasing a home in the AA. The median cost of housing in the AA has increased significantly as compared to the increase in median income levels. Affordable housing was identified as one of the needs in the community.

According to 2000 census data, the median cost of housing in the AA is \$244,528. The HUD adjusted median family income for 2004 was \$57,000. A low-income individual earns less than \$28,500 annually. A moderate-income individual earns at least \$28,500 annually, but less than \$42,750 annually. In addition, 4% of households in the area are below the poverty level.

### **Home Purchase Lending**

Borrower distribution of home purchase lending is adequate. Based on the 2000 census data with 2003 MSA boundaries, the bank did not make any loans to low-income families in the AA in 2003, even though 6.22 percent of families in the AA are low-income. According to the 2000 census data with the 2004 MSA boundaries, the bank did not make any home purchase loans to low-income borrowers in 2004-2005. The percentage of low-income families in the AA was the same as the prior period. The percentage of home purchase loans made to low-income families is lower than the percentage of low-income families in the AA for both periods. The bank's market share of home purchase loans to low-income borrowers is less than the bank's overall market share of home purchase loans in the AA for both periods as well. It is important to note that this demographic presented limited opportunities for the bank. This takes into consideration the competitiveness of the market as well as the high cost of housing in this area which makes it difficult for low-to moderate-income individuals to afford this housing.

Using the 2000 census data with 2003 MSA boundaries, the percentage of home purchase loans made to moderate-income families in 2003 exceeds the percentage of moderate-income families in the AA. For this period, the market share of home purchase loans to moderate-income borrowers is greater than the bank's overall market share of home purchase loans. Using 2000 census data with 2004 MSA boundaries, the bank did not make any home purchase loans to moderate-income borrowers in 2004-2005. For the period of 2004-2005, the percentage of home purchase loans made to moderate-income families is lower than the percentage of moderate-income families in the AA. The market share of home purchase loans to moderate-income borrowers in 2004-2005 is less than the bank's overall market share of home purchase loans in the AA. Again, it is important to note that this demographic also presented limited opportunities for the bank. This takes into consideration the competitiveness of the market as well as the high cost of housing in this area which makes it difficult for low-to-moderate-income individuals to afford this housing.

### Home Refinancing

In 2003, the borrower distribution of home refinance loans was adequate. The percentage of home refinance loans made to low-income families was significantly lower than the percentage of low-income families in the AA, according to 2000 census data with 2003 MSA boundaries. . Despite the low volume of loans that the bank had for this demographic, it is important to note that this demographic presented limited opportunities for the bank. Due to the high cost of housing in the area, it is difficult for low-and-moderate-income individuals to afford housing in this AA. In addition, the high level of competition in the area in the AA limits the number of opportunities available to the bank. During the same period, the percentage of home refinancing loans made to moderate-income families in the AA was also lower than the percentage of moderate-income families in the AA. The market share of home refinancing loans in the low-income geographies was less than the bank's overall market share of home refinancing loans in the AA.

In 2004-2005 borrower distribution of home refinance lending was adequate. Using 2000 census data with the MSA boundaries in 2004, the percentage of home refinance loans made to low-income individuals was slightly lower than the percentage of low-income families in the AA. The bank's market share of loans to low-income borrowers was greater than the bank's overall market share of home refinance lending. This performance is notable when considering the affordability of housing for a low-income individual, as described above. The percentage of home refinance loans made to moderate-income individuals is lower than the percentage of moderate-income families in the AA during the 2004-2005 evaluation period. The bank's market share of home refinance loans for that time frame was greater than the bank's overall market share in home refinance lending.

### ***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.

The borrower distribution of small loans to businesses is excellent. According to 2000 census data with 2003 MSA boundaries, the percentage of the bank's small loans to businesses with revenues of \$1 million or less in the AA significantly exceeds the percentage of small

businesses in the AA in 2003. The distribution in the size of the loans indicates that most of the bank's loans to small businesses were for \$100,000 or less.

Using 2000 census data with 2004 MSA boundaries, small loans to businesses with revenues of \$1 million or less represents 100% of all small loans to businesses originated in the AA. For the 2004 analysis period, the market share for small loans made to small businesses exceeds the bank's overall market share. The distribution by size of loan shows that a majority of the loan originations are for \$100,000 or less. This is another indication that business lending is primarily to small businesses.

## **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.

Community development (CD) lending had a positive impact on the Lending Test, and the originated loans were responsive to the needs of the AA.

We determined through our internal research and community contacts that limited opportunities for community development lending exist within the AA due to the competition for these types of loans as well as the limited number of low and moderate income census tracts. Competition for these loans is very strong from both large regional financial institutions and other community banks in the area. Due to the strong competition, The Mahopac National Bank elects to originate CD loans in broader geographical areas that include their designated AA's. MNB continues to address the identified community development needs in its AA therefore we gave positive consideration to CD loans made at the broader statewide level.

In addition to the loans mentioned below, many of the reported small loans to businesses met the definition of community development and were given positive consideration during our review.

We noted the following CD loan made in the Putnam – Westchester AA for the evaluation period:

- A \$201 thousand loan for the construction of affordable senior citizen housing in Carmel, NY. This project is benefiting low-income individuals in an area with a limited availability of affordable housing.

The following loans were made in our limited scope AA of Dutchess County, NY. All of these loans meet the definition of community development as the proceeds of these loans were used to revitalize and or stabilize low-or-moderate income geographies.

- A \$450 thousand loan to renovate and improve property in an Economic Development Zone (EDZ) located in Poughkeepsie, NY. Permanent employment of low-to-moderate income (LMI) individuals was provided through this activity.
- A \$2 million loan to renovate commercial property in an EDZ, located in Poughkeepsie, NY. This renovation provided for additional permanent employment of LMI's in this low-income area.

- A \$1.4 million loan to construct a commercial building in an EDZ, located in Poughkeepsie, NY. The building was built to house medical facilities that will benefit LMI individuals in the community.
- A \$500 thousand loan made to a dentist who provides services to LMI individuals in an EDZ, located in Poughkeepsie, NY. The dental office caters to individuals in need of affordable healthcare.

Outside AA, Broader geographical area:

- A \$250 thousand loan to a women's healthcare facility in a moderate-income area located in Connecticut. Affordable healthcare services target LMI individuals, women, and senior citizens.
- A \$300 thousand loan to construct affordable housing for low-to-moderate income individuals in a distressed area of the Bronx.

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

Based on our limited-scope review, the bank's performance under the lending test in the Dutchess AA is not inconsistent with the bank's overall Low Satisfactory performance under the lending test. Refer to Tables 1 through 13 in Appendix C for the facts and data that support these conclusions.

## **INVESTMENT TEST**

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

The bank's performance under the investment test is rated Low Satisfactory. Based on full-scope reviews, the bank's performance in the Putnam—Westchester AA is adequate.

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

Investments in the AA are adequate, considering the strong competition for CD investments in the AA. We determined through our community contacts and our internal research that there is very strong competition for investment opportunities in the Putnam—Westchester AA, particularly from the larger banks. During our evaluation period, there were three investments, totaling \$6,500, made in this AA:

- a \$3,000 investment in SCORE, a non-profit group of retired business executives who provide guidance to individuals in a variety of business and financial areas.
- a \$3,000 investment in the Putnam County Economic Development Corporation, which provides counseling to small businesses, with the aim of expanding the workforce in the county.
- a \$500 investment in the Putnam County Housing Corporation, a non-profit organization that facilitates the building of affordable housing for low/moderate income individuals.

Due to the strong competition, MNB commits to CD investments in broader geographical areas within New York State that include their designated AAs, but do not entirely benefit them directly. The bank has purchased four FNMA/FHLMC CRA investment pools, totaling \$3.25 million, which consist of mortgage-backed securities. Three pools, valued at \$1.85 million, were purchased during the prior evaluation period. All of the mortgages in the pools benefit low/moderate income individuals within the bank's broader geographical area, and, as a result, receive positive consideration for qualified investments. While the majority of these individuals are outside of the bank's AA, it is important to note that nine mortgages directly benefit individuals within the bank's AA. Four mortgages, totaling \$380 thousand, were to individuals in the Putnam—Westchester AA. These investments, therefore, do partially benefit the individuals in the bank's AA; however, they must be allocated entirely to the broader geographical area.

Within the evaluation period, The Mahopac National Bank disbursed a number of qualifying CD donations totaling \$207,223. These donations were granted primarily to local non-profit organizations, which engage in various community development activities throughout the AA.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Based on limited-scope reviews, the bank's performance under the Investment Test in the Dutchess AA is weaker than the bank's overall performance. Refer to Table 14 in Appendix C for the facts and data that support these conclusions. The bank's limited presence and heavy competition in this area are the reasons for the weaker performance. Again it is important to note that two mortgages from the above-mentioned CRA investment pools directly benefit individuals in this AA. This had no impact on the overall rating for the Investment Test.

## **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 the Putnam—Westchester AA is 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.

The Mahopac National Bank's service delivery systems are readily accessible to individuals and geographies of different income levels in its AA. Over 97% of the population of the Putnam—Westchester AA qualifies as upper-income. As a result, all branches in the AA are in upper-income tracts. The bank operates an ATM at each of its branches.

Hours and services offered throughout the AA are good and consistent among all branches. They are tailored to meet the convenience and need of the AA. All branches offer extended hours one day per week, as well as Saturday hours at most branches.

Putnam and Westchester counties have a growing Hispanic population, many of whom fall into the LMI class. As a result, MNB has personnel located throughout its branches who are fluent in Spanish. In addition, to support its non-Spanish speaking staff, MNB has distributed a "Banking Interpreter" assistance sheet which lists the most frequently used financial terms in Spanish and English.

The bank also offers other delivery services, including banking by phone, mail, and over the Internet. In 2004, MNB initiated the innovative "*goBanking*" service. A trained CSR will visit a small business location and pick up non-cash deposits, loan applications, etc. This pick up service allows the small business owner more time to devote to his/her business and less time wasted traveling to the bank. *goBanking* opens up new areas for MNB to service, as it can broaden its service to small businesses substantially.

### **Community Development Services**

MNB provides a satisfactory level of CD services in the Putnam—Westchester AA. Bank employees and officers are required to participate in at least one community activity per year. A review has found that many members of the bank are much more active in the community than required by bank policy. Many of these organizations directly benefit the AA by providing counseling or assistance in areas such as small business financing, basic banking services, or educational instruction.

The following are examples of the CD services provided by MNB employees in the AA:

- The bank is in the process of instituting a basic finance class for its rapidly-increasing Hispanic customer base to assist them in understanding common banking concepts.
- MNB donated 180 Spanish-English language books to "Open Door Family Medical Centers," which provides health care at affordable prices to lower-income individuals within the bank's AA. The books help young children with their development in both languages.
- The President of MNB serves on the Board of Directors of the Putnam County Economic Development Corporation. This non-profit group works to attract new businesses and job opportunities to Putnam County.
- MNB's Director of Community Banking sits on the President's Advisory Council of Westchester County, an organization that advises on business issues that will support the continued economic development of Westchester County.
- MNB's Chief Lending Officer serves on the Board of Directors of SCORE, a non-profit group of retired business executives who provide guidance to individuals in a variety of business and financial areas

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

Based on limited-scope reviews, the bank's performance under the Service Test in the Dutchess AA is not inconsistent with the bank's overall high satisfactory performance under

the Service Test. Refer to Table 15 in appendix C for the facts and data that support these conclusions.

The bank addresses the service needs of the community in this AA. As the majority of customers in the AA are considered middle-income, the bank has placed one branch in a middle-income geography. The other branch is located in an upper-income area that serves the remaining 42% of the bank's customers in the AA.

## Appendix A: Scope of Examination

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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 non-metropolitan 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): 01/01/03 to 12/31/05 Investment and Service Tests and CD Loans: 01/01/03 to 12/31/05	
<b>Financial Institution</b>	<b>Products Reviewed</b>	
The Mahopac National Bank Brewster, NY	Home Mortgages, Small Loans to Businesses, CD Loans, Qualified CD Investments	
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
Putnam – Westchester Dutchess	Full Scope Limited Scope	

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

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### Mahopac NB-Putnam-Westchester

Demographic Information for Full Scope Area: Mahopac NB-Putnam-Westchester						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	55	0.00	1.82	1.82	96.36	0.00
Population by Geography	264,987	0.00	0.90	1.53	97.57	0.00
Owner-Occupied Housing by Geography	73,697	0.00	0.03	1.05	98.92	0.00
Business by Geography	22,131	0.00	1.31	2.97	95.72	0.00
Farms by Geography	624	0.00	0.64	1.92	97.44	0.00
Family Distribution by Income Level	70,024	6.22	7.28	12.90	73.61	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	9,448	0.00	0.36	3.76	95.88	0.00
Median Family Income HUD Adjusted Median Family Income for 2004 Households Below Poverty Level		49,461 57,000 4%	Median Housing Value Unemployment Rate (2000 US Census)		244,528 4.01%	

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

Source: 2000 US Census and 2004 HUD updated MFI

The Mahopac National Bank's full scope assessment area consists of Putnam County and northern Westchester County. This AA includes contiguous portions of the New York-Northern New Jersey-Long Island, NY-NJ-PA Metropolitan Statistical Area (MSA #35620). There are a total of 55 census tracts in this AA.

The economies of the two counties are stable, being some of the most affluent in New York State. As such, they consist mostly of upper-income census tracts with some middle and one moderate-income tract. They do not contain any low-income tracts. Despite the fact that Westchester County has a high concentration of service industries and corporate headquarters, manufacturing accounts for less than 9% of its total employment. As of 2000, almost 30% of its residents worked in New York City. Putnam County is the fastest growing county in the New York Metro area.

The 2004-2005 weighted average median family income (MFI) for the Westchester and Putnam County Assessment Area (AA) was \$57,650. The Westchester and Putnam AA is 94.4% upper-income, 3.70% middle-income, and 1.85% moderate-income.

In the assessment area, banking competition is very strong for loans, deposits, CD loans, and investments, which presents limited opportunities for small institutions with a weaker presence. The bank is in the New York-Northern New Jersey-Long Island MSA, and in 2005 it ranked 106 out of 233 institutions with a 0.04% market share. As of June 30, 2005, the three major competitors in the same MSA were JPMorgan Chase Bank NA with a 23.77% market share, Citibank NA with a 16.47% market share, and Bank of America NA with a 6.63% market share.

The major employers in Putnam County include Putnam County Schools, Toyota Motor Manufacturing, and Rite Aid Distribution Center. The major employers in Westchester County include Ciba Specialty Chemicals Corp, Consolidated Edison Company of New York Inc., and Diversified Investment Advisors.

An evaluation of the assessment area noted the need for small business loans to enable businesses to expand and hire. Affordable housing is scarce within the assessment area. Demographic studies rate the area as upper-income in most tracts. However, within those tracts are many low-to-moderate income and middle-income individuals in need of housing. This population includes minorities and senior citizens.

## 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. Refer to Interagency Q&As \_\_.12(i) - 5 and - 6 for guidance on when a bank may receive positive CRA consideration for such loans. When such loans exist, insert a line item with the appropriate caption in the MA/Assessment Area column and record the corresponding numbers and amounts in the “Community Development Loans” column with the appropriate caption, such as: “Statewide/Regional,” “Statewide/Regional with potential benefit to one or more AAs” or “Out of Assessment Area.” “Out of Assessment Area” is used ONLY if the bank has otherwise adequately met the CD lending needs of its assessment area.
- 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. This table was not included due to an insignificant number of loans in this category.
- 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. When such investments exist, insert a line item in the MA/Assessment Area column and record the corresponding numbers and amounts in the "Qualified Investments" column with the appropriate caption, such as: "Statewide/Regional," "Statewide/Regional with potential benefit to one or more AAs" or "Out of Assessment Area." "Out of the Assessment Area" is used ONLY if the bank has otherwise adequately met the qualified investment needs of its assessment area.

**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: NEW YORK						Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003				
MA/Assessment Area (2004):	% 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)	
<b>Full Review:</b>												
Mahopac NB-Putnam-Westchester	79.21	219	39,123	120	16,633	0	0	0	0	339	55,756	80.46
<b>Limited Review:</b>												
Mahopac NB-Dutchess	20.79	53	10,043	36	7,070	0	0	0	0	89	17,113	19.54

\* Loan Data as of December 31, 2003. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2003 to April 30, 2006.

\*\*\* Deposit Data as of April 30, 2006. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table 1. Lending Volume**

LENDING VOLUME		Geography: NEW YORK						Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2005				
MA/Assessment Area (2004):	% of Rated Area Loans (#) in MA/AA <sup>*</sup>	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans <sup>**</sup>		Total Reported Loans		% of Rated Area Deposits in MA/AA <sup>***</sup>
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
<b>Full Review:</b>												
Mahopac NB-Putnam-Westchester	67.32	108	28,630	166	34,378	0	0	1	201	274	63,008	80.46
<b>Limited Review:</b>												
Mahopac NB-Dutchess	32.68	57	13,715	76	13,904	0	0	4	4,650	133	27,619	19.54

<sup>\*</sup> Loan Data as of December 31, 2005. Rated area refers to either state or multi-state MA rating area.

<sup>\*\*</sup> The evaluation period for Community Development Loans is from January 01, 2005 to April 30, 2006.

<sup>\*\*\*</sup> Deposit Data as of April 30, 2006. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE			Geography: NEW YORK				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003					Market Share (%) by Geography				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overa ll	Low	Mod	Mid	Upp	
	#	% of Total**	% Owner Occ Units***	% Owner Occ****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans						
<b>Full Review:</b>																
Mahopac NB-Putnam-Westchester	31	64.58	0.00	0.00	0.03	0.00	1.05	0.00	98.92	100.00	0.50	0.00	0.00	0.00	0.51	
<b>Limited Review:</b>																
Mahopac NB-Dutchess	17	35.42	0.00	0.00	0.00	0.00	55.26	41.18	44.74	58.82	0.61	0.00	0.00	0.45	0.79	

\* Based on 2003 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)

**Table2. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE															Geography: NEW YORK					Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2005				
MA/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***	% Owner Occ****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
<b>Full Review:</b>																								
Mahopac NB-Putnam-Westchester	31	51.67	0.00	0.00	0.03	0.00	1.05	0.00	98.92	100.00	0.24	0.00	0.00	0.00	0.25									
<b>Limited Review:</b>																								
Mahopac NB-Dutchess	29	48.33	0.00	0.00	0.00	0.00	55.26	34.48	44.74	65.52	0.52	0.00	0.00	0.29	0.83									

\* Based on 2004 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 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE												Geography: NEW YORK				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003				
MA/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***	% Owner Occ Units****	% 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>																				
Mahopac NB-Putnam-Westchester	188	84.30	0.00	0.00	0.03	0.00	1.05	0.00	98.92	100.00	0.94	0.00	0.00	0.00	0.95					
<b>Limited Review:</b>																				
Mahopac NB-Dutchess	35	15.70	0.00	0.00	0.00	0.00	55.26	40.00	44.74	60.00	0.38	0.00	0.00	0.28	0.49					

\* Based on 2003 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 4. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE												Geography: NEW YORK			Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2005			
MA/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***	% Owner Occ****	% Owner Occ***	% BANK Loans	% Owner Occ***	% BANK Loans	% Owner Occ***	% BANK Loans	Overa ll	Low	Mod	Mid	Upp			
<b>Full Review:</b>																		
Mahopac NB-Putnam-Westchester	75	73.53	0.00	0.00	0.03	0.00	1.05	0.00	98.92	100.00	0.49	0.00	0.00	0.00	0.49			
<b>Limited Review:</b>																		
Mahopac NB-Dutchess	27	26.47	0.00	0.00	0.00	0.00	55.26	33.33	44.74	66.67	0.32	0.00	0.00	0.28	0.37			

\* Based on 2004 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 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES												Geography: NEW YORK				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003				
MA/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>																				
Mahopac NB- Putnam- Westchester	120	76.92	0.00	0.00	1.31	0.00	2.97	0.00	95.72	100.00	0.35	0.00	0.00	0.08	0.44					
<b>Limited Review:</b>																				
Mahopac NB- Dutchess	36	23.08	0.00	0.00	7.94	0.00	51.45	38.89	40.60	61.11	0.52	0.24	0.00	0.38	1.58					

\* Based on 2003 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 (2003).

**Table 6. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES				Geography: NEW YORK				Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2005				Market Share (%) by Geography				
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans						
<b>Full Review:</b>																
Mahopac NB- Putnam- Westchester	166	68.60	0.00	0.00	1.12	0.00	3.00	2.41	95.88	97.59	0.26	0.00	0.04	0.08	0.32	
<b>Limited Review:</b>																
Mahopac NB- Dutchess	76	31.40	0.00	0.00	0.00	0.00	59.61	47.37	40.39	52.63	0.53	0.69	0.19	0.34	1.35	

\* Based on 2004 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 (2005).

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

Borrower Distribution: HOME PURCHASE		Geography: NEW YORK						Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003							
MA/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****	% BANK Loans <sup>1</sup>	% BANK Loans**	% Families***	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Mahopac NB-Putnam-Westchester	31	64.58	6.22	0.00	7.28	9.68	12.90	22.58	73.61	67.74	0.66	0.00	2.31	1.32	0.52
<b>Limited Review:</b>															
Mahopac NB-Dutchess	17	35.42	10.65	0.00	16.35	17.65	24.89	23.53	48.12	58.82	0.70	0.00	0.81	0.52	0.83

\* Based on 2003 Peer Mortgage Data (Eastern)

\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

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

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

Borrower Distribution: HOME PURCHASE		Geography: NEW YORK						Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2005							
MA/Assessment Area:	Total Home Purchase 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>	% BANK Loans <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>															
Mahopac NB-Putnam-Westchester	31	51.67	6.22	0.00	7.28	0.00	12.90	22.58	73.61	77.42	0.31	0.00	0.00	0.54	0.29
<b>Limited Review:</b>															
Mahopac NB-Dutchess	29	48.33	10.65	6.90	16.35	20.69	24.89	20.69	48.12	51.72	0.63	1.23	0.29	0.49	0.78

<sup>\*</sup> Based on 2004 Peer Mortgage Data (Eastern)

<sup>\*\*</sup> As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

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

<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>2</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		Geography: NEW YORK				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003					Market Share*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% Families***	% BANK Loans****	% BANK Loans <sup>3</sup>	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****					
<b>Full Review:</b>															
Mahopac NB-Putnam-Westchester	0	0.00	6.22	0.00	7.28	0.00	12.90	0.00	73.61	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>															
Mahopac NB-Dutchess	1	100.00	10.65	0.00	16.35	100.00	24.89	0.00	48.12	0.00	0.33	0.00	2.04	0.00	0.00

\* Based on 2003 Peer Mortgage Data (Eastern)

\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* 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>3</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		Geography: NEW YORK				Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2005					Market Share*				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% Families***	% BANK Loans****	% BANK Loans <sup>4</sup>	% BANK Loans****	% Families**	% BANK Loans****	% Families**	% BANK Loans****					
<b>Full Review:</b>															
Mahopac NB-Putnam-Westchester	0	0.00	6.22	0.00	7.28	0.00	12.90	0.00	73.61	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>															
Mahopac NB-Dutchess	0	0.00	10.65	0.00	16.35	0.00	24.89	0.00	48.12	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2004 Peer Mortgage Data (Eastern)

\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* 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>4</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												Geography: NEW YORK			Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003				
MA/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****	% BANK Loans <sup>5</sup>	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans**	Overa ll	Low	Mod	Mid	Upp				
<b>Full Review:</b>																			
Mahopac NB- Putnam- Westchester	185	84.47	6.22	0.54	7.28	5.95	12.90	11.35	73.61	82.16	1.16	1.41	2.32	1.11	1.13				
<b>Limited Review:</b>																			
Mahopac NB- Dutchess	34	15.53	10.65	5.88	16.35	8.82	24.89	23.53	48.12	61.76	0.44	0.85	0.25	0.33	0.55				

\* Based on 2003 Peer Mortgage Data (Eastern)

\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* 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.

<sup>5</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												Geography: NEW YORK			Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2005				
MA/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****	% BANK Loans <sup>6</sup>	% BANK Loans****	% Families* **	% BANK Loans****	% Families* **	% BANK Loans**	Overa ll	Low	Mod	Mid	Upp				
<b>Full Review:</b>																			
Mahopac NB-Putnam-Westchester	74	73.27	6.22	4.05	7.28	2.70	12.90	16.22	73.61	77.03	0.60	2.27	0.34	0.59	0.60				
<b>Limited Review:</b>																			
Mahopac NB-Dutchess	27	26.73	10.65	3.70	16.35	3.70	24.89	40.74	48.12	51.85	0.39	0.63	0.00	0.57	0.39				

\* Based on 2004 Peer Mortgage Data (Eastern)

\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by bank.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* 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.

<sup>6</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				Geography: NEW YORK		Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003			
MA/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
<b>Full Review:</b>									
Mahopac NB-Putnam-Westchester	120	76.92	66.53	91.67	65.83	17.50	16.67	0.35	0.84
<b>Limited Review:</b>									
Mahopac NB-Dutchess	36	23.08	67.33	86.11	58.33	13.89	27.78	0.52	1.31

\* Based on 2003 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 - 2003).

\*\*\*\* 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 0.00% of small loans to businesses originated and purchased by the bank.

**Table11. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES					Geography: NEW YORK		Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2005		
MA/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
<b>Full Review:</b>									
Mahopac NB-Putnam-Westchester	166	68.60	66.95	100.00	56.63	13.25	30.12	0.26	0.59
<b>Limited Review:</b>									
Mahopac NB-Dutchess	76	31.40	66.77	100.00	57.89	7.89	34.21	0.53	1.66

\* Based on 2004 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 - 2005).

\*\*\*\* 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 0.00% of small loans to businesses originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS									
Geography: NEW YORK									
Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2005									
MA/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>									
Mahopac NB-Putnam-Westchester	0	0	3	6.5	3	6.5	0.2	0	0
<b>Limited Review:</b>									
Mahopac NB-Dutchess	0	0	0	0	0	0	0.00	0	0
<b>Statewide/Regional with Potential to Benefit AA:</b>	3	1,850	1	1,400	4	3,250	99.8	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: NEW YORK																	
Evaluation Period: JANUARY 1, 2004 TO DECEMBER 31, 2005																	
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
<b>Full Review:</b>																	
Mahopac NB-Putnam-Westchester	80.0	5	71.5	0.00	0.00	0.00	100.0	1	0	0	0	0	+1	0.00	0.90	1.53	97.57
<b>Limited Review:</b>																	
Mahopac NB-Dutchess	20.0	2	28.5	0.00	0.00	50.0	50.0	0	0	0	0	0	0	0.00	0.00	57.97	42.03