



PUBLIC DISCLOSURE

November 30, 2015

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

340 Madison Avenue
4th Floor
New York, NY 10017

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

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” or the “bank”) is the sole subsidiary of Suffolk Bancorp headquartered in Riverhead, New York. Founded in 1890, SCNB is a full service intrastate bank with 27 branch offices in Suffolk, Nassau and Queens Counties, New York. Since the previous CRA evaluation, the bank has strategically expanded its operations into western Nassau County, New York as well as Queens County, New York. In December 2013, SCNB opened its Garden City commercial loan office and branch. In June 2014, SCNB opened a full service branch in Melville, NY contiguous to its existing commercial loan office. In May 2015, the Bank opened its first New York City based branch in Long Island City, Queens, which incorporates a commercial loan office and branch. While SCNB wholly owns four subsidiaries, the activities of these subsidiaries have no impact on the bank’s capacity to meet its community reinvestment obligations. SCNB offers a broad range of loan and deposit products and services through its network of branches, commercial loan offices, and online channels.

As of September 30, 2015, SCNB reported total assets of \$2.1 billion and a net tier 1 capital of \$196.1 million. The bank’s strategic focus is on growth in assets, deposits, as well as geographic expansion. SCNB has focused on growth in existing markets in Suffolk County, including Suffolk’s traditional markets on the east end of Long Island, and the new commercial loan production offices and teams put in place to serve Nassau County as well as the New York City markets.

As of September 30, 2015, total bank assets comprised of \$1.54 billion in net loans and total investment securities of \$327.66 million. The primary lending product continues to be real estate loans, accounting for 87 percent of total loans, or \$1.35 billion. Commercial loans total \$207 million and account for 13 percent of total loans. SCNB offers multifamily mortgage and business lines of credit to commercial customers. As of September 30, 2015, SCNB reported total deposits of \$1.80 billion.

Prior to December 2013, the Bank’s assessment area was limited to the whole Suffolk County (323 census tracts). Currently, SCNB has two assessment areas within the New York-Northern New Jersey-Long Island, NY-NJ-PA MSA #35620 due to the Bank’s westward expansion. They are the Nassau-Suffolk, NY MD AA (#35004) and the New York-White Plains-Wayne, NY-NJ MD AA (#35644). As the branch in Queens County has been in operation for less than five months, we are only considering the Nassau-Suffolk, NY MD AA (#35004) for this evaluation.

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 dated December 3, 2012 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 small loans to businesses, reported under the Community Reinvestment Act (CRA), is from January 1, 2013 through September 30, 2015. Market comparisons for mortgage and small business loans are based on 2014 peer data, which was the most recently available data at the time of this evaluation.

The evaluation period for community development loan, investment, and service tests covers activities from December 3, 2012 through November 30, 2015. All qualified investments originated in prior periods and still outstanding at November 30, 2015 were also considered. Evaluation for qualification was based on the information and documentation provided by the bank. An evaluation of all community development loans, investments, and services were qualified appropriately based on the regulatory standards of CRA guidelines. In addition, we considered the level of innovation, complexity, responsiveness to community credit needs, and the degree to which these instruments are not routinely provided by private investors.

Data Integrity

We conducted a data integrity review in July 2015. During this review, we analyzed a sample of home mortgage loans and small loans to businesses to ensure the accuracy of HMDA loan application register (LAR) data and CRA data to be used in the CRA examination. The errors that we identified were isolated cases and did not represent a systemic concern.

This CRA examination was based on accurate data. We further verified the community development loans, qualified investments, and donations, as well as community development services during the examination to ensure the recorded activities meet the regulatory standards of community development. Small adjustments were made to the total amount of donations as a result of verification procedures.

Selection of Areas for Full-Scope Review

We performed a full scope review of the bank's Assessment Area (AA): Nassau- Suffolk County MSA #35004, which forms the Nassau-Suffolk, NY MD. The bank has 26 retail branches located within the AA. The AA for SCNB consists of 323 census tracts for the whole Suffolk County and 11 census tracts for the towns of Garden City and Mineola in Nassau County, of which a majority are middle- and moderate-income tracts. The bank's AA consists of census tracts distributed among 4 low- income (1.20 percent), 71 moderate-income (21.26 percent), 202 middle-income (60.48 percent), 55 upper-income (16.47 percent), and 2 NA (0.60 percent). Refer to the table in Appendix A and Market Profile in Appendix B for more information.

In May 2015 the bank opened a new retail branch in Long Island City, NY, which is in the Queens County AA. The bank identified 12 census tracts within the Long Island City town to be included in the Queens County AA. During this evaluation period, we did not include the new Queens County AA

because the AA has been established for less than 5 months during this CRA evaluation period and there has been nominal lending activity.

Ratings

The bank's overall rating is based on the bank activities in one AA, the Nassau-Suffolk County, NY.

Other

We considered information obtained from one community contact. The community contact was an executive for a community-based organization with a mission statement to address the need to provide affordable housing opportunities on Long Island, New York for those who are unable to afford homes. The community contact explained that the Long Island has experienced a decrease in home ownership over the past ten years. High rental costs have prevented many low- to moderate- income individuals from being able to save and afford to purchase a house. The community contact stated that there are opportunities within the assessment area to provide affordable housing to families. The community contact indicated that his organization provides development, technical assistance, mortgage counseling, homebuyer education and lending programs.

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." Based on the full-scope review, the bank's performance in the Nassau-Suffolk County, NY MD is excellent.

The overall geographic distribution for home mortgage loans is excellent. The geographic distribution for home purchase loans and home improvement loans are excellent and the geographic distribution of home mortgage refinance loans are good. Income distribution of home purchase loans, home improvement loans, and home mortgage refinance loans is excellent.

The overall geographic distribution of small loans to business is excellent, and the borrower distribution of loans made to small businesses is excellent. The geographic distribution of small loans to farms is good, and the borrower distribution of small loans made to farms is good. 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 Tables 1 Lending Volume and 1 Other in appendix C for the facts and data used to evaluate the bank's lending activity. As part of the lending test, we compared the deposit market share to the market share of individual loan products.

SCNB's lending activity within the AA is excellent. During the evaluation period, the bank originated 370 home mortgage loans totaling \$111 million, 840 small loans to businesses totaling \$145 million, and 49 community development loans totaling \$100 million. Analysis for the lending test in the bank's AA focused primarily on home purchase, home refinancing, home improvement, and small loans to businesses. The analysis compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied units throughout these geographies. In evaluating the bank's lending activity, we considered the low number of low-income census tracts and large bank competition within the bank's AA. As a metric of the bank's lending activity, we also considered the bank's deposit and lending market share.

As of June 30, 2015, the bank is ranked 15th among 39 FDIC-insured institutions in the deposit market with 1.47 percent of the total market share. JP Morgan Chase dominates the deposit market with market share of 20.40 percent while the second ranking institution, Capital One, has 16.50 percent of the market share. The next three competitors are Citibank with an 11.26 percent market share, Bank of America with a 6.69 percent market share, and TD Bank with a 6.47 percent market share.

Based on 2014 HMDA Peer Mortgage Data, SCNB is ranked 53rd among 382 institutions, with 0.40 percent market share for both total number of loans and total dollar amount of loans. The top lender

assumes 11.31 percent of the total market share, while the next five institutions following have a combined market share of 23.27 percent, ranging individually from 3.23 to 7.68 percent based on total number of loans.

Community development lending positively impacted the bank's overall lending performance.

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 purchases and home improvement are excellent and home mortgage refinance loans are good within the bank's AA.

Home Purchase Loans

The geographic distribution of home purchase loans in low- and moderate-income geographies is excellent. SCNB originated a small number of low-income home purchase loans; however, this was due to a limited number of low-income geographies in the AA. More weight was given to the moderate-income geographies. During the period of January 1, 2013 through September 30, 2015, SCNB originated 190 home purchase loans. SCNB originated 1.05 percent home purchase loans in low-income geographies, which exceeds the 0.93 percentage of low-income geographies. SCNB originated 25.26 percent of home purchase loans in moderate-income geographies, which exceeds the 20.27 percentage of moderate-income geographies in the AA. SCNB's market share of home purchase loans in low- and moderate-income geographies were 1.06 and 0.49 percent, respectively, which exceed the bank's overall 0.44 percent market share of home purchase loans.

Home Improvement Loans

The geographic distribution of home improvement loans in moderate-income geographies is excellent. SCNB did not originate any home improvement loans in low-income geographies in the noted period, primarily due to limited number of low-income geography opportunities in the AA. More weight was given to the moderate-income geographies. During the period of January 1, 2013 through September 30, 2015, SCNB originated 54 home improvement loans. SCNB originated 22.22 percent of home improvement loans in moderate-income geographies, which exceeds the 20.27 percentage of moderate-income geographies in the AA. SCNB's market share of home improvement loans in low- and moderate-income geographies were 0.00 and 1.97 percent, respectively. At 1.97 percent, home improvement loans to moderate-income exceed the bank's overall 1.34 percent market share of home improvement loans, however home improvement loans to low -income geographies do not exceed overall market share.

Home Mortgage Refinance Loans

The geographic distribution of home refinance loans in low and moderate-income geographies is good. SCNB originated a small number of low-income home refinance loans in the noted period; however, this

was due to a limited number of low-income geography opportunities in the AA. More weight was placed on moderate-income geographies. During the period of January 1, 2013 through September 30, 2015, SCNB originated 125 home refinance loans. SCNB originated 0.80 percent of home refinance loans in low-income and 17.60 percent in moderate-income geographies, which does not exceed but is close to the percentage of low-income (0.93 percent) and moderate-income (20.27 percent) geographies in the AA. SCNB's market share of home mortgage refinance loans in low- and moderate-income geographies were 0.00 and 0.12 percent, respectively, which do not exceed the bank's overall 0.23 percent market share of home mortgage refinance loans.

Multifamily Loans

The bank originated a minimal number of multifamily loans in the Nassau-Suffolk County AA and a geographical analysis of multifamily loans is not meaningful. SCNB did not originate any multifamily loans in low- or moderate-income geographies and originated one multifamily loan in a middle-income geography within the AA.

Small Loans to Businesses

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

The overall geographic distribution of small loans to businesses in the AA is excellent. During the period of January 1, 2013 through September 30, 2015, SCNB originated 840 small loans to businesses. Small loans to businesses in low-income geographies accounted for 0.83 percent, which exceeds the 0.61 percentage of small businesses located in a low-income geography within the Nassau-Suffolk AA. SCNB originated 27.14 percent of the bank's small loans to businesses in moderate-income geographies within the Nassau-Suffolk County AA, which exceeds the 20.35 percentage of small businesses in that AA. SCNB's market share of small loans to businesses in low- and moderate-income geographies were 0.00 and 0.66 percent, respectively. At 0.66 percent, small loans to businesses in moderate-income geographies exceed the bank's overall 0.32 percent market share, however small loans to businesses in low-income geographies do not exceed overall market share.

Small Loans to Farms

Refer to Table 7 in appendix C for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

The overall geographic distribution of small loans to farms in the AA is good. There are limited opportunities to make small loans to farms within the bank's AA. During the period of January 1, 2013 through September 30, 2015, SCNB originated six small loans to farms. SCNB did not originate any small loans to farms in low-income geographies due to the limited number of low-income geographies at 0.53 percent, as well as relatively few rural areas within the AA. SCNB originated 16.67 percent of the bank's small loans to farms in moderate-income geographies within the Nassau-Suffolk County AA, which is near to the 21.59 percentage of farms in that AA. SCNB's market share of small loans to farms in low- and moderate-income geographies were 0.00 and 3.85 percent, respectively. At 3.85 percent, small loans to farms in moderate-income geographies exceed the overall 0.93 percent market share, however, small loans to farms in low-income geographies do not exceed overall market share at 0.00 percent.

Lending Gap Analysis

We found no unexplained conspicuous gaps in SCNB's lending patterns. The bank's Nassau-Suffolk County AA has a low volume of low-income census tracts and a moderate volume of moderate-income census tracts. Overall, the AA contains only 4 (1.2 percent) low-income census tracts, and 71 (21.3 percent) moderate-income census tracts. The bank's lending products are available to any bank customer, regardless of their geography. None of the bank's branches are located in low-income geographies and five branches are located in moderate-income geographies. The bank's branch network makes locations available to all segments of the AA.

Inside/Outside Ratio

A high percentage of SCNB's home mortgage loans and small loans to businesses were originated inside the Nassau-Suffolk County AA. The analysis was performed at the bank level as opposed to the AA level and the information presented includes bank originations and purchases only. During the evaluation period, 85.09 percent of the bank's reportable loans (home purchase and small business loans) were originated inside the designated AA. Specifically; 65.16 percent of all home purchases were within the AA; 88.89 percent of all home refinance loans were within the AA; 94.18 percent of all home improvement loans were within the AA; and 93.43 percent of all small loans to businesses were originated inside the AA. The high percentage of lending inside the bank's AA reflects positively on the bank's overall excellent 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.

The distribution of the bank's home mortgage loans by income level of the borrowers within the bank's AA is excellent. Income distribution for home purchase loans is excellent, home improvement loans is excellent, and home mortgage refinance loans is excellent.

Home Purchase Loans

The income distribution of home purchase lending is excellent. We took into consideration the higher than national average home prices within the bank's AA, which provide limited opportunities for low- and moderate-income families to purchase homes. For example, the median family income is \$101,543 while the median family housing value is \$479,643. Additionally, 60.22 percent of the AA is composed of middle- or upper-income families. During the period of January 1, 2013 through September 30, 2015, SCNB made 190 home purchase loans, with an overall market share of 0.54 percent. The bank did not exceed but is very near to the overall market share as low- and moderate-income borrowers represented 0.50 and 0.46 percent market share, respectively. Low-income borrowers comprise 19.75 percent of the AA and the bank made 4.28 percent of home purchase loans to low-income borrowers. Moderate-income borrowers comprise 20.04 percent of the bank's AA and the bank made 19.79 percent of its

home purchase loans to moderate-income borrowers. More weight was given to the moderate-income borrower distribution, which the bank performed very near the 20.04 percent comparison.

Home Improvement Loans

The income distribution of home improvement lending is excellent. We took into consideration the higher than national average home prices within the bank's AA, which would make it difficult for low and moderate-income families to purchase homes. Additionally, 60.22 percent of the AA is composed of middle or upper-income families. During the period of January 1, 2015 through September 30, 2015, SCNB made 54 home improvement loans, with an overall market share of 1.40 percent. The bank exceeded its overall market share with regard to low-income borrowers, which represented 1.75 percent of the market share; however, moderate-income borrowers did not exceed overall market share at 1.21 percent market share. Low-income borrowers comprise 19.75 percent of the AA and the bank made 5.56 percent of home improvement loans to low-income borrowers. Moderate-income borrowers comprise 20.04 percent of the bank's AA and the bank made 25.93 percent of its home improvement loans to moderate-income borrowers. More weight was given to the moderate-income borrower distribution, which the bank exceeded.

Home Mortgage Refinance Loans

The income distribution of home refinance loans is excellent. We took into consideration the higher than national average home prices within the bank's AA, which provide limited opportunities for low- and moderate-income families to purchase homes. Additionally, 60.22 percent of the AA is composed of middle or upper-income families. During the period of January 1, 2015 through September 30, 2015, SCNB made 125 home improvement loans with an overall market share of 0.24 percent, which is higher than the (0.13 percent) low-income and (0.17 percent) moderate-income levels. Low-income borrowers comprise 19.75 percent of the AA and the bank made 3.33 percent of home refinance loans to low-income borrowers. Moderate-income borrowers comprise 20.04 percent of the bank's AA and the bank made 24.17 percent of its home refinance loans to moderate-income borrowers. More weight was given to the moderate-income borrower distribution, which the bank exceeded.

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 borrower distribution of small loans to businesses based on business size within the Nassau-Suffolk County AA is good. Of the total number of businesses within the bank's AA, 81.20 percent reported revenues of \$1 million or less. Over the period of January 1, 2013 through September 30, 2015, the bank made 840 small loans to businesses in its AA, with 46.19 percent made to businesses with revenues of \$1 million or less. However, this is reasonable when considering the bank has 0.34 percent market share of small loans to businesses with less than \$1 million in revenues, exceeding the overall market share of 0.32 percent. In addition, the majority of small loans to businesses (58.21 percent) were comprised of loans with original amounts of \$100 thousand or less. These mitigating factors had a positive effect on our conclusion about the distribution of small loans to businesses of different sizes.

Small Loans to Farms

Refer to Table 12 in the 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 borrower distribution of small loans to farms based on business size within the Nassau-Suffolk County AA is good. Of the total number of businesses within the bank's AA, 95.95 percent reported revenues of \$1 million or less. Over the period of January 1, 2013 through September 30, 2015, the bank made six small loans to farms in its AA, with 50.00 percent made to farms with revenues of \$1 million or less. The bank has 0.00 percent market share of small loans to farms with less than \$1 million in revenues, which does not exceed the overall market share of 0.93 percent. However, this is reasonable when considering the bank's AA has relatively little farming industry and few rural areas. The six total loans constitute zero percent of the overall 0.93 percent market share. In addition, the majority of small loans to businesses (50.00 percent) were comprised of loans with original amounts of \$250 thousand to \$500 thousand.

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 23 loans totaling \$50 million, or 25.5% of tier 1 capital at September 30, 2015 within the bank's Nassau-Suffolk County AA. CD loans were made to construct, renovate, and fund operations of learning facilities, nursing homes, and affordable housing for low- and moderate-income individuals. Examples of CD loans include:

- Amounts totaling \$27.2 million in CD loans were made to special and regular education programs and services to children with disabilities. The CD loans provide services to the community in the AA and targets low- to moderate-income individuals.
- Amounts totaling \$17.8 million in CD loans were made to homes or organizations that provide programs and services to disabled persons. The CD loans provide services to the community in the AA and targets low- to moderate-income individuals.
- Amounts totaling \$2.9 million in CD loans were made to organizations building or providing affordable housing within the AA and targeting low- to moderate-income individuals.
- Amount totaling \$1.98 million for one multifamily CD loan originated within the Nassau-Suffolk County AA in a moderate-income census tract.
- Amount totaling \$100 thousand in CD loan made to assist in responding to Hurricane Sandy damages, which helped revitalize or stabilize a designated disaster area.

In addition, the bank originated 26 multifamily loans totaling \$50 million, or 25% of tier 1 capital at September 30, 2015, primarily in geographies located within the broader statewide or regional areas that

benefited low- to moderate-income individuals. Positive consideration was given to these multifamily CD loans and provide supplementary support for the excellent level of CD lending. The majority of these multifamily properties are located in Brooklyn, Bronx, and Manhattan, NY, which are not in the bank's AA but neighboring the bank's Nassau-Suffolk County AA and Queens County AA.

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 that are more favorable than conventional products such as lower down payment requirements and targeting areas in low-, moderate-, and middle-income areas. During the evaluation period, the bank originated 6 loans totaling \$1.4 million, which were held in the bank's portfolio. The affordable mortgage loan 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." Based on a full-scope review, the bank's performance in the Nassau-Suffolk County 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 164 investments totaling \$2.2 million (161 grants/donations and 3 investments). One investment committed in the evaluation period has \$829 thousand remaining to be funded. Additionally, we considered 21 prior period investments totaling \$3.9 million. Total investments of \$6.9 million represent 3.52 percent of Tier 1 Capital. Performance is good as the majority of investments target an identified need in the AA, affordable housing for both home ownership and rental units. Opportunities for investments, particularly affordable housing projects, have been limited over the last several years due to a nationwide slow economic recovery from the recession and higher than average foreclosure rates in the area reduced the number of ongoing and planned affordable housing projects. Our community contact stated that opportunities for investment in affordable housing are starting to materialize.

Current period investments constitute two investments totaling \$1.6 million for a school district that provides residential programs for underprivileged and disabled students within the AA, the majority of whom are low- and moderate- income. The bank also made a \$1 million equity investment to a Small Business Investment Corporation (SBIC) with an investment strategy to provide loans to small businesses within the bank's assessment area and the greater statewide area. As of the end of the evaluation period, the bank had funded \$171 thousand of the total \$1 million committed. Additionally, \$411 thousand in grants and/or donations were made to organizations that benefited low- and moderate-income individuals, families, and geographies in the AA. These current period investments are given primary emphasis when deriving the overall investment test rating and have a positive impact on the investment test.

Twenty of the 21 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." Based on a full scope review, the bank's performance in the Nassau-Suffolk County AA is excellent.

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.

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

All of SCNB's 26 branch offices offer full retail services. The percentage of branches located in moderate-income geographies coincides with the percentage of the population that resides in those areas, demonstrating a commitment to serve low- and moderate-income individuals and areas. There are no branches located in low-income geographies; however, opportunities are limited with only four of 334 census tracts designated as low-income. Additionally, less than two percent of the low-income population resides in the bank's AA. During the evaluation period, there were multiple branch openings and closings, which had no adverse impact on low- or moderate-income geographies or individuals. Out of the six branches closed during the evaluation period, four were located in middle-income tracts and two were located in moderate-income tracts of the bank's AA. This had a minimal effect on the moderate-income tract geography since overall representation of banking branches in this tract continued to remain high at 19.23 percent and coincided with the 24.57 percent moderate-income tract population for the bank's AA. The rationale behind closing these branches included lack of customer base, lack of profitability, redundancy of branches, and undesired returns. Out of the two branches that opened during the evaluation period, one was located in a middle-income tract (Melville) and the other was located in an upper-income tract (Garden City). The opening of the Garden City Branch expanded the bank's AA to include the towns Garden City (8 census tracts) and Mineola (3 census tracts) of Nassau County. The opening of the Melville branch did not change the AA as it is already located within Suffolk County.

As noted in the scope section of this Performance Evaluation, the bank's most recent branch expansion into the Queens County AA was not included in this CRA evaluation. However, the new branch located in Long Island City, NY, is in a moderate-income tract of the Queens County AA. This reflects positively on the bank's commitment to continue to serve low- and moderate-income communities.

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, in addition to 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 online banking, ATMs, voice recognition services, mobile banking, direct deposit, and ACH. These services are offered to customers of all 26

branches, regardless of geography. The bank maintains a record of online banking and voice-recognition service users by branch, tract income, and assessment area. Customers across all moderate-, middle-, and upper-income tracts access these services.

Community Development Services

The bank is a leader in providing community development services. A number of branch managers and executives are members of and provide technical assistance to organizations such as local chambers of commerce, economic development corporations, redevelopment councils, and local non-profit organizations. These organizations serve low- and moderate-income individuals and areas by creating permanent jobs and affordable housing. Additionally, the bank as a whole assists in fundraising activities for non-profit organizations that conduct community development activities such as food pantries, homeless shelters, and organizations that provide assistance to needy or distressed children and families. Many of these organizations have recognized the bank for providing exceptional assistance. CD services provided exclusively by SCNB include a free homebuyer workshop that educates individuals in the low-to-moderate income range about home ownership and financing. Also, in response to the recent rise in cyber security issues, SCNB has started hosting security and fraud prevention seminars, as well as cyber security breakfasts, in order to educate local businesses about the negative effects of data breaches and how to avoid being targeted by criminals. SCNB's community development services benefit the needs of low- and moderate-income individuals within the bank's AA and positively impacted the service test.

Appendix A: Scope of Examination

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

Time Period Reviewed	Lending Test (excludes CD Loans): (01/01/13 to 09/30/15) Investment and Service Tests and CD Loans: (12/03/12 to 11/30/15)	
Financial Institution	Products Reviewed	
(The Suffolk County National Bank of Riverhead (SCNB) Riverhead, NY	Home mortgages, small loans to businesses, community development loans, qualified investments, and community development services.	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Not Applicable		
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Nassau-Suffolk, NY MD #35004	Full Scope	This AA consists of 323 census tracts for the whole Suffolk County and 11 census tracts for the towns of Garden City and Mineola in Nassau County, NY.

Appendix B: Market Profiles for Full-Scope Areas

Nassau-Suffolk, NY MD AA# 35004

Demographic Information for Full-Scope Area: (Nassau-Suffolk, NY MD AA #35004)						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	334	1.20	21.26	60.48	16.47	0.60
Population by Geography	1,550,686	1.50	24.57	58.92	14.93	0.08
Owner-Occupied Housing by Geography	418,229	0.93	20.27	61.52	17.28	0.00
Businesses by Geography	132,957	0.61	20.35	62.14	16.90	0.00
Farms by Geography	3,580	0.53	21.59	63.55	14.33	0.00
Family Distribution by Income Level	388,666	19.75	20.04	24.83	35.39	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	154,643	1.46	32.53	56.96	9.04	0.00
Median Family Income HUD Adjusted Median Family Income for 2015 Households Below the Poverty Level	= \$101,543 = \$109,000 = 6%				Median Housing Value = \$479,643 Unemployment Rate = 2.96%	

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 1990 U.S. Census, and 2015 HUD updated MFI.

The Suffolk County National Bank (SCNB) has two assessment areas within the New York-Northern New Jersey-Long Island, NY-NJ-PA MSA #35620. They are the Nassau-Suffolk, NY MD AA (#35004) and the New York-White Plains-Wayne, NY-NJ MD AA (#35644), both within New York State. In May 2015, the bank opened a retail branch in Long Island City, Queens County, NY. As a result, all 12 census tracts from the town of Long Island City were added to the existing AA. Since the Long Island City AA was added less than 5 months prior to the start of this evaluation, this assessment area was not evaluated in this examination. As presented above, the AA is the Nassau-Suffolk, NY MD AA #35004, includes all of Suffolk County and portion of Nassau County, NY, which is also part of the New York-Northern New Jersey-Long Island MSA #35620. The AA meets regulatory guidelines as it corresponds to accepted political subdivisions (counties) and does not arbitrarily exclude any low- or moderate-income areas.

The bank provides banking services throughout its Nassau-Suffolk AA with 26 full service retail branches and 23 ATMs (1 stand-alone), of which 2 are located in Nassau County and 24 are in Suffolk County. All the branches are located in the assessment area. As presented above, the AA is comprised of 334 census tracts in the Nassau and Suffolk Counties. The AA census tracts are spread among 4 low income (1.20 percent), 71 moderate-income (21.26 percent), 202 middle-income (60.48 percent), 55 upper-income (16.47 percent), and 2 NA (0.60 percent).

The Nassau-Suffolk AA banking market is highly competitive. The deposit market is dominated by large multinational institutions. In this area, SCNB's major competitors include JPMorgan Chase, National Association (N.A.); Capital One, N.A.; Citibank, N.A.; Bank of America, N.A.; TD Bank, N.A.; The Bridgehampton National Bank; and The First of National Bank of Long Island. SCNB's deposit market share is 1.47 percent, which makes the bank the 15th largest institution in the area (out of 39). The bank's strategy is to continue to grow and expand its market area by increasing its branch and lending network.

We considered information obtained from one community contact. The community contact was an executive for a community-based organization with a mission statement to address the need to provide affordable housing opportunities on Long Island, New York for those who are unable to afford homes. The community contact explained that the Long Island has experienced a decrease in home ownership over the past ten years. High rental costs have prevented many low- to moderate- income individuals from being able to save and afford to purchase a house. The community contact stated that there are opportunities within the assessment area to provide affordable housing to families.

According to the US Bureau of Labor Statistics, September 2015 unemployment rate for the Nassau-Suffolk County AA was 5.0 percent, which was below the national unemployment rate of 5.1 percent. Major employers in Long Island include Cablevision Systems Corp., Henry Schein Inc., CA Inc., Pall Corp., Broadridge Financial Solutions Inc., Systemax Inc., MSC Industrials Direct Co Inc. and Verint Systems Inc. Top industry sectors are education and health services, government, professional and business services, and retail trade. Payrolls have increased since the beginning of the year, powered by education/ healthcare and residential and commercial construction. Robust job growth is supporting above-average increases in earnings. The public sector remains a disappointment, hurt in part by poor fiscal conditions in Nassau and Suffolk Counties. And labor force participation has backtracked in recent months while the unemployment rate has risen modestly, an indication that there is some residual slack in the labor market.

The housing market is projected to improve over the coming year. Home sales moved sharply higher during the summer, according to data from the Multiple Listings Service of Long Island. Meanwhile, elevated demand for rental housing near Long Island Railroad stations is powering a pickup in residential construction. Downtown Farmingdale has benefited from numerous residential projects, and plans to bolster retail and residential near the Ronkonkoma LIRR hub are inching closer to reality. Yet there are numerous obstacles in the way of a more robust recovery. For one, demographics are a major disadvantage for Nassau and Suffolk Counties; population growth over the past decade is the weakest among the country's 20 largest metro areas or divisions. In addition, the overhang of distressed properties remains among the largest in the nation, and while there have been some promising signs that foreclosure inventories are stabilizing in Nassau County, they keep piling up in Suffolk.

Analysts report the strengths of the Nassau-Suffolk County AA to be above average industrial diversity, high per capita income due to the linkage with New York City financial industries, and a highly skilled workforce. However, among the area's weaknesses are high housing costs, lack of developable land, weak population growth and rapidly growing share of retirement-age seniors, and high tax burden on residents and businesses.

Analysts believe that the Nassau-Suffolk County housing market will finally emerge from the distressed market that has pervaded since the recession, bolstering job growth in the short run. This is projected to help offset softness in consumer industries brought about in part by demographic challenges.

Appendix C: Tables of Performance Data

Content of Standardized Tables

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

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

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

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

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

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

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

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

Table 1. Lending Volume

LENDING VOLUME												
Geography: SUFFOLK COUNTY												
Evaluation Period: JANUARY 1, 2013 TO NOVEMBER 30, 2015												
Assessment Area (2015):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
Full Review:												
Suffolk County - Nassau and Suffolk AA	100.00	370	110,920	840	145,484	6	1,298	49	99,922	1,265	357,624	100.00

* Loan Data as of September 30, 2015. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from December 3, 2012 to November 30, 2015.

*** Deposit Data as of June 30, 2015. 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, 2013 TO NOVEMBER 30, 2015								
Assessment Area (2015):	% of Rated Area Loans (#) in MA/AA*	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:														
Suffolk County - Nassau and Suffolk AA	0.00	0	0	0	0	0	0	0	0	0	0	0	0	100.00

* Loan Data as of September 30, 2015. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Optional Product Line(s) is from January 01, 2013 to November 30, 2015.

*** Deposit Data as of June 30, 2015. 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, 2013 TO NOVEMBER 30, 2015	
Assessment Area (2015):	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
Full Review:					
Suffolk County - Nassau and Suffolk AA	0	0	0	0	0

* The evaluation period for Optional Product Line(s) is from January 01, 2013 to November 30, 2015.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: SUFFOLK COUNTY					Evaluation Period: JANUARY 1, 2013 TO NOVEMBER 30, 2015					Market Share (%) by Geography [*]				
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Over all	Low	Mod	Mid	Upp	
	#	% of Total ^{**}	% Owner Occ Units ^{***}	% BANK Loans ^{****}	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans						
Full Review:																
Suffolk County - Nassau and Suffolk AA	190	100.00	0.93	1.05	20.27	25.26	61.52	64.74	17.28	8.95	0.44	1.06	0.49	0.42	0.41	

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

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

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

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

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: SUFFOLK COUNTY				Evaluation Period: JANUARY 1, 2013 TO NOVEMBER 30, 2015					Market Share (%) by Geography*				
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans					
Full Review:															
Suffolk County - Nassau and Suffolk AA	54	100.0	0.93	0.00	20.27	22.22	61.52	72.22	17.28	5.56	1.34	0.00	1.97	1.44	0.00

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

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

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

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

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE		Geography: SUFFOLK COUNTY					Evaluation Period: JANUARY 1, 2013 TO NOVEMBER 30, 2015					Market Share (%) by Geography [*]				
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total ^{**}	% Owner Occ Units ^{***}	% BANK Loans ^{****}	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans						
Full Review:																
Suffolk County - Nassau and Suffolk AA	125	100.00	0.93	0.80	20.27	17.60	61.52	70.40	17.28	11.20	0.23	0.00	0.12	0.27	0.22	

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

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

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

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

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY															Geography: SUFFOLK COUNTY					Evaluation Period: JANUARY 1, 2013 TO NOVEMBER 30, 2015				
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography [*]													
	#	% of Total ^{**}	% of MF Units ^{***}	% BANK Loans ^{****}	% MF Units ^{***}	% BANK Loans	% MF Units ^{***}	% BANK Loans	% MF Units ^{***}	% BANK Loans	Overall	Low	Mod	Mid	Upp									
Full Review:																								
Suffolk County - Nassau and Suffolk AA	1	100.00	0.71	0.00	38.81	0.00	54.33	100.00	6.14	0.00	0.00	0.00	0.00	0.00	0.00									

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

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

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

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

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES															Geography: SUFFOLK COUNTY					Evaluation Period: JANUARY 1, 2013 TO NOVEMBER 30, 2015				
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
Full Review:																								
Suffolk County - Nassau and Suffolk AA	840	100.00	0.61	0.83	20.35	27.14	62.14	65.48	16.90	6.55	0.32	0.00	0.66	0.37	0.08									

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

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

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

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS		Geography: SUFFOLK COUNTY					Evaluation Period: JANUARY 1, 2013 TO NOVEMBER 30, 2015					Market Share (%) by Geography*				
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans						
Full Review:																
Suffolk County - Nassau and Suffolk AA	6	100.00	0.53	0.00	21.59	16.67	63.55	83.33	14.33	0.00	0.93	0.00	3.85	0.00	0.00	

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

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

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

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: SUFFOLK COUNTY					Evaluation Period: JANUARY 1, 2013 TO NOVEMBER 30, 2015					Market Share [*]				
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Overall	Low	Mod	Mid	Upp	
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ¹	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}						
Full Review:																
Suffolk County - Nassau and Suffolk AA	190	100.00	19.75	4.28	20.04	19.79	24.83	21.93	35.39	54.01	0.54	0.50	0.46	0.35	0.73	

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

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

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

^{****} As a percentage of loans with borrower income information available. No information was available for 1.6% of loans originated and purchased by bank.

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

Table 9. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT		Geography: SUFFOLK COUNTY					Evaluation Period: JANUARY 1, 2013 TO NOVEMBER 30, 2015					Market Share [*]				
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 ^{****}	% Families ²	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}						
Full Review:																
Suffolk County - Nassau and Suffolk AA	54	100.00	19.75	5.56	20.04	25.93	24.83	35.19	35.39	33.33	1.40	1.75	1.21	2.23	0.88	

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

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

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

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

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

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		Geography: SUFFOLK COUNTY						Evaluation Period: JANUARY 1, 2013 TO NOVEMBER 30, 2015							
Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families***	% BANK Loans****	% Families ³	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
Suffolk County - Nassau and Suffolk AA	125	100.00	19.75	3.33	20.04	24.17	24.83	29.17	35.39	43.33	0.24	0.13	0.17	0.43	0.18

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

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

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

**** As a percentage of loans with borrower income information available. No information was available for 4.0% of loans originated and purchased by bank.

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

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		Geography: SUFFOLK COUNTY			Evaluation Period: JANUARY 1, 2013 TO NOVEMBER 30, 2015				
Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Market Share [*]	
	#	% of Total ^{**}	% of Businesses ^{***}	% BANK Loans ^{****}	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Suffolk County - Nassau and Suffolk AA	840	100.00	81.20	46.19	58.21	25.83	15.95	0.32	0.34

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

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

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

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

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: SMALL LOANS TO FARMS		Geography: SUFFOLK COUNTY			Evaluation Period: JANUARY 1, 2013 TO NOVEMBER 30, 2015				
Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share [*]	
	#	% of Total ^{**}	% of Farms ^{***}	% BANK Loans ^{****}	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
Full Review:									
Suffolk County - Nassau and Suffolk AA	6	100.00	95.95	50.00	33.33	16.67	50.00	0.93	0.00

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

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

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

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

Table 13. Geographic and Borrower Distribution of Consumer Loans (Institution's Option)

Geographic and Borrower Distribution: CONSUMER LOANS																			Geography: SUFFOLK COUNTY				Evaluation Period: JANUARY 1, 2013 TO NOVEMBER 30, 2015			
Assessment Area:	Geographic Distribution										Borrower Distribution															
	Total Consumer Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers									
	#	% of Total*	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans	% of Hhlds**	% of BANK Loans								
Full Review:																										
Suffolk County - Nassau and Suffolk AA	0	0.00	0.94	0.00	23.78	0.00	60.19	0.00	15.09	0.00	23.33	0.00	17.44	0.00	21.12	0.00	38.10	0.00								

* Consumer Loans originated and purchased in the MA/AA as a percentage of all consumer loans originated and purchased in the rated area.

** Percentage of households is based on 2010 Census Information.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: SUFFOLK COUNTY				Evaluation Period: JANUARY 1, 2013 TO NOVEMBER 30, 2015			
Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Suffolk County - Nassau and Suffolk AA	21	3,884	164	2,182	186	6,895	100	1	829

* '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: SUFFOLK COUNTY				Evaluation Period: JANUARY 1, 2013 TO NOVEMBER 30, 2015									
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings				Population					
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Suffolk County - Nassau and Suffolk AA	100.00	26	100.00	0.00	19.23	76.92	3.85	2	6	0	-2	-3	+1	1.50	24.57	58.92	14.93

Institution ID: Suffolk County

Distribution of Branch and ATM Delivery System

Distribution of Branch and ATM Delivery System																	
Geography: SUFFOLK COUNTY																	
Evaluation Period: JANUARY 1, 2013 TO NOVEMBER 30, 2015																	
MA/Assessment Area:	Deposits	Branches						ATMs						Population			
	% of Total Bank Deposits	# of Bank Branches	% of Total Bank Branches	Location of Branches by Income of Geographies (%)				#of Bank ATMs	% of Total Bank ATMs	Location of ATMs by Income of Geographies				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Suffolk County - Nassau and Suffolk AA	100.00	26	100.00	0	19.23	76.92	3.85	24	100.00	0	36.67	79.17	0	1.50	24.57	58.92	14.93

