



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

October 9, 2012

**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

New York Field Office – Edison, NJ
343 Thornall Street, Suite 610
Edison, NJ 08837

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

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Overall CRA Rating

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

The following table indicates the performance level of **The 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 bank’s performance under the lending test is adequate;
- A substantial majority of the bank’s loans were originated within the assessment area(AA);
- The bank’s level of community development lending in the AA is good. Community development lending addressed community credit needs and had a positive effect on the lending test;
- The bank’s performance under the investment test is adequate;
- The bank’s performance under the service test is good; and
- The bank’s service delivery systems are accessible to individuals and geographies of different income levels.

Definitions and Common Abbreviations

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

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

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Census Tract (CT): A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

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

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

Activities that revitalize or stabilize-

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

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

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder' and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (e.g., innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn). Beginning in 2004, the reports also include additional data on loan pricing, the lien status of the collateral, any requests for preapproval and loans for manufactured housing.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Rated Area: A rated area is a state or multi-state metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multi-state metropolitan area, the institution will receive a rating for the multi-state metropolitan area.

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

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

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

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

Description of Institution

The Mahopac National Bank (MNB) is headquartered in Mahopac, New York in Putnam County, with executive offices in Brewster, New York in Putnam County, which is approximately 60 miles north of New York City. MNB remains a retail intrastate bank.

As of December 31, 2011, MNB had \$882 million in total assets and 15 branch locations (14 full service branches and one satellite office) over the three county operating areas of Putnam, Westchester, and Dutchess Counties. Specifically, five branches are located in Putnam County, three in Dutchess county, and seven in Westchester County. There were no new branches or branch closings during our evaluation period. Further, 24-hour ATMs are available at all branches and there is one limited access off-site ATM in Putnam County.

MNB is part of a three-bank holding company. The holding company is Tompkins Financial Inc. (TFI) headquartered in Ithaca, New York. MNB's affiliates are Tompkins Trust Company (operating in central New York) and Bank of Castile (operating in Western New York). In addition to the bank affiliates, TFI owns an insurance company and a financial planning company. TFI's total assets as of December 31, 2011 were \$3.4 billion. TFI is in the process of finalizing the acquisition of VIST Financial of Wyomissing, PA. The \$1.4 billion acquisition is expected to be completed by the third quarter 2012. We did not consider any affiliate activities in the preparation of this Performance Evaluation.

MNB's credit offerings are primarily of commercial real estate loans, residential mortgages, home equity lines of credit, small business loans, and consumer installment loans. Additionally, MNB provides various personal and business depository services such as checking accounts, savings accounts, certificates of deposit, investment accounts, remote deposit, and escrow services.

MNB continues to experience modest growth during the evaluation period. As of December 31, 2011, total assets were \$882 million, representing a 3% increase from the prior year, and a 5.6% increase from year-end 2008. Total deposits increased 5% from year-end 2010 to \$684 million as of December 31, 2011; however, total deposits only increased by 4% over the entire evaluation period. Total deposits experienced a decrease during 2010 of 4%. During the evaluation period, total loans increased modestly to \$551 million, representing a 2% and a 1% increase from year-end 2010 and 2008 respectively. Similar to total deposits, total loans decreased during 2010 by 5%.

As of December 31, 2011, net loans and leases represented 63% of total assets. The loan portfolio was comprised of residential real estate loans (42%), non-residential real estate loans (42%), construction loans (5%), commercial loans (11%), and loans to individuals (1%). Tier 1 Capital was \$78 million as of December 31, 2011, compared to \$56 million as of December 31, 2008.

MNB operates in a very competitive environment. The bank's competitors include large nationwide banks, 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.

The bank's performance under the Community Reinvestment Act was last evaluated on June 15, 2009, based upon standards applicable to large 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 and for small loans to business is from January 1, 2009 through December 31, 2011. The bank originated an insignificant amount of multi-family loans and small loans to farms during the evaluation period; therefore, an analysis of these products would not be meaningful and was not performed. The evaluation period for community development loans, investments, and service tests covers activities from June 16, 2009 to August 10, 2012.

Data Integrity

During August of 2012, an evaluation of the integrity of Mahopac's publicly filed information was performed to verify the accuracy of the data. The bank's processes, procedures, and internal controls for Home Mortgage Disclosure Act and Community Reinvestment Act data collection, verification, and reporting are satisfactory. This examination is based on accurate data. Community development (CD) loans, investments and services submitted by management were also verified to ensure that they met the regulatory definition for community development.

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-White Plains-Wayne, NY-NJ Metropolitan Division (MD #35644). A full scope review was chosen as the majority of loans and deposits are from this AA. This AA accounts for 85% of total bank deposits. The bank originated 90% of its home mortgage loans and 71% of its small loans to businesses in this AA. The Putnam – Westchester AA consists of 94 census tracts (CTs) including all of Putnam County and northern Westchester County. Please refer to appendix A for additional information.

The Dutchess AA was selected for a limited scope review. This AA is part of the Poughkeepsie – Newburgh – Middletown, NY Metropolitan Statistical Area (MSA #39100). This AA accounts for 15% of total bank deposits. The bank originated 10% of its home mortgage lending and 29% of its small loans to businesses in this AA. The Dutchess AA consists of 26 census tracts in Dutchess County.

Ratings

The bank's overall rating is based primarily on the full scope review of the Putnam-Westchester AA. The bank's activities within the Putnam-Westchester AA were given more weight as most of the bank's business is originated there, including 76% of loans and 85% of deposits. Additionally, 11 out of 14 branches are located within this AA. More weight was given to performance for small loans to businesses as the bank's primary loan product is commercial/business loans. During the evaluation period, home mortgage products only accounted for 22% of originated loans and small loans to businesses accounted for 76% of originated loans.

It is important to note that MNB's AA includes a total of 120 census tracts, the majority of which are middle- and upper-income level tracts, with only four moderate-income tracts in the Putnam-Westchester AA; and no low-income tracts in either 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 the examination, we interviewed the Executive Director of a local economic development agency in Westchester County to help us determine the community credit and development needs in the bank's AA. The organization's mission is to provide assistance to help women start small businesses. The community contact indicated that there is a competitive environment in the AA for financial institutions to provide credit, grants, donations or other community development assistance but opportunities are available.

Fair Lending or Other Illegal Credit Practices Review

Pursuant to 12 C.F.R. 25.28(c), or 12 C.F.R. 195.28(c), in determining a national bank's (bank) or Federal savings association's (FSA) CRA rating, respectively, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank or FSA, or in any assessment area by an affiliate whose loans have been considered as part of the bank's or FSA's lending performance.

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 a full-scope review, the bank's performance in the Putnam - Westchester AA is adequate.

Lending Activity

Refer to appendix C for the facts and data used to evaluate the bank's lending activity.

Lending activity in the Putnam-Westchester AA is adequate. The bank's lending patterns are reflective of the credit needs of the community. Approximately 76% of the bank's lending is conducted in this AA. The bank's lending is centered in small loans to businesses. In the 2009-2011 evaluation period, a total of 885 loans were reported in this AA, of which 633 loans were made to businesses. Small loans to businesses represented 72% of the bank's lending in this AA. The bank originated one small loan to a farm in the AA during the evaluation period; however, this is not a large enough sample to conduct a meaningful analysis of small loans to farms.

The bank's lending to individuals is centered in home mortgage products. In the 2009-2011 evaluation period, 241 loans out of 885 loans reported in the AA (27%) were mortgage products. Home refinancing accounted for the largest portion of these loans at 61% of originations. Home improvement loans and home purchase loans accounted for 18% and 16%, respectively. Additionally, 5% of loans were multi-family mortgages.

Based on the 2012 FDIC Deposit Market Share Report, MNB was ranked 82 out of 241 institutions for its market share of deposits in the Putnam-Westchester AA, with a 0.06% market share as of June 30, 2012. In 2011, MNB had 11 branches and procured 85% of its deposits from within the AA. Large nation-wide banks were ranked as the top three institutions for market share of deposits in the AA.

Based on 2010 HMDA Peer Mortgage Data:

- For total mortgage loans originated, MNB ranks 24th out of 206 mortgage lenders with 0.66% market share
- Market share for home purchase, home refinance, and home improvement loans in all census tracts is 0.36%, 0.56%, and 6.57%, respectively
- In home purchase lending, the bank ranked 40th out of 130 lenders
- In home refinance lending, the bank ranked 28th out of 78 lenders
- In home improvement lending, the bank ranked 5th out of 43 lenders

Distribution of Loans by Income Level of the Geography

The geographic distribution of loans is adequate. The geographic distribution of both home mortgage loans and small loans to businesses was adequate.

Home Mortgage Loans

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

Distribution of home mortgage loans by income level of the geography is adequate. It is important to note that within the AA, 95% of owner occupied housing units are in upper-income census tracts. An additional 4% of owner occupied units are in middle-income tracts. The Putnam-Westchester AA includes zero low-income tracts and four moderate-income tracts. As a result, analysis of lending in low-income tracts is not meaningful and was not performed and additional weight will be given to performance in moderate-income census tracts. Only 0.89% of owner occupied housing units are within the moderate-income census tracts, allowing limited opportunities for bank participation in moderate-income geographies.

Home Purchase Lending

The geographic distribution of home purchase loans is adequate. The level of home purchase loans extended to moderate-income geographies is somewhat lower than the level of owner occupied units in moderate-income geographies during the evaluation period. MNB's home purchase lending market share in moderate-income geographies is somewhat lower than the bank's overall market share in the AA. The low volume of owner occupied units in moderate-income geographies provides limited opportunity for bank participation.

Home Improvement Lending

The geographic distribution of home improvement loans is adequate. The level of home improvement loans extended to moderate-income geographies is somewhat lower than the level of owner occupied units in moderate-income geographies during the evaluation period. MNB's home improvement lending market share in moderate-income geographies is somewhat lower than the bank's overall market share in the AA. The low volume of owner occupied units in moderate-income geographies provides limited opportunity for bank participation.

Home Refinancing Lending

The geographic distribution of home refinancing loans is good. The level of home refinancing loans extended to moderate-income geographies is near to or equal the level of owner occupied units in moderate-income geographies during the evaluation period. MNB's home refinancing lending market share of moderate-income geographies is somewhat lower than the bank's overall market share in the AA. The low volume of owner occupied units in moderate-income geographies provides limited opportunity for bank participation.

Multi-Family Lending

The geographic distribution of multi-family home loans is good. The level of multi-family home loans extended to moderate-level geographies is near to or equal the level of multi-family units in moderate-income geographies during the evaluation period. MNB's market share of moderate-income geographies is lower than the bank's overall market share 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 small loans to businesses is adequate. The percentage of small loans to businesses distributed in moderate-income geographies is somewhat lower than the percentage of all businesses in these geographies. The volume of businesses in the moderate-income geographies provided limited opportunities for the bank with only 3.06% of businesses in the AA. MNB's market share of moderate-income geographies is near to or equal the bank's overall market share in the AA.

Lending Gap Analysis

Our review of the geographic distribution of loans did not detect any conspicuous or unexplained gaps in MNBs lending patterns.

Inside/Outside Ratio

We performed an inside/outside analysis of MNB's lending at the bank level as opposed to the individual AA levels. A substantial majority, 84%, of loans originated or purchased by MNB during the evaluation period were in the AAs. The majority of small business loans (84%) and all (100%) small farm loans were made within the AAs. The majority of home mortgage loans (83%) were originated within the bank's AAs. Specifically, 64% of home purchase loans were originated in the AA, 89% of home improvement loans were originated in the AA, and 88% of home refinancing loans were made within the AA. Further, 86% of community development loans were made in the AAs with the remainder made in the regional/statewide area with the potential to benefit the 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

Borrower distribution of loans is good. The borrower distribution of both home mortgage loans and small loans to businesses was good.

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 loans is good when considering the limited opportunities that low and moderate-income individuals have in purchasing a home in the Putnam-Westchester AA. According to 2000 US Census data, the median cost of housing in the Putnam-Westchester AA is \$261,367. The HUD adjusted median family income in 2011 was \$67,400. In the AA, 8% of families are low-income (income less than \$33,700) and 9% are moderate-income (income at least \$33,700 but less than \$53,920). Further, 5% of households are below the poverty line.

Home Purchase Lending

Borrower distribution of home purchase lending is good. The bank did not make any loans to low-income borrowers. However, the high housing values in the AA are prohibitive for home-ownership for low-income borrowers. Thus, the level of low-income owner occupied units is low and demand for home purchase lending from low-income borrowers is low.

The percentage of home purchase loans to moderate-income borrowers exceeds the percentage of moderate-income borrowers in the AA. Additionally, MNB's market share of home purchase loans to moderate-income borrowers exceeds the bank's overall market share of home purchase loans.

Home Improvement Lending

Borrower distribution of home improvement lending is good. The percentage of home improvement loans to low-income borrowers is somewhat lower than the percentage of low-income borrowers in the AA. Additionally, MNB's market share of home improvement lending to low-income borrowers is lower than the bank's overall market share for home improvement loans in the AA. However, the high housing values in the AA are prohibitive for home-ownership for low-income borrowers. Thus, the level of low-income owner occupied units is low and demand for home purchase lending from low-income borrowers is low.

The percentage of home improvement loans to moderate-income borrowers exceeds the percentage of moderate-income borrowers in the AA. Additionally, MNB's market share of home improvement loans to moderate-income borrowers exceeds the bank's overall market share for home improvement loans in the AA.

Home Refinancing Lending

Borrower distribution of home refinance loans is adequate. MNB did not make any home refinance loans to low-income borrowers. However, the high housing values in the AA are prohibitive for home-ownership for low-income borrowers. Thus, the level of low-income owner occupied units is low and demand for home purchase lending from low-income borrowers is low.

The percentage of home refinance loans to moderate-income borrowers is somewhat lower than the percentage of moderate-income borrowers in the AA. However, MNB's market share of moderate-income home refinance loans exceeds the bank's overall home refinance loan market share.

Small Loans to Businesses

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

The borrower distribution of small loans to businesses is good. The percentage of the bank's small loans to businesses with revenues of \$1 million or less is near to the percentage of small businesses in the AA. A majority of the loans originated, 62.4%, had a balance less than \$100 thousand, 20.4% had a balance between \$100 thousand and \$250 thousand, and 17.2% had a balance greater than \$250 thousand and less than \$1 million.

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 community development (CD) lending is good and had a positive impact on the lending test, as the loans originated by MNB were responsive to the needs of the AA.

The bank originated 10 CD loans totaling \$31.2 million in the AA, or 40% of tier one capital. To enhance CD lending, given limited opportunities due to demographics and competition in the AA, MNB has worked closely with statewide and local economic and business development organizations to generate CD lending opportunities. The CD loans made were not complex and represented moderate innovation by partnering with state-wide organizations.

Given the limited opportunities for CD lending in the AA, the bank has generated CD loans that benefit the broader MSA and regional area (New York City), which we considered as part of our assessment. MNB has been innovative in partnering with statewide business development organizations to better serve the AA with CD loans, and to expand, where possible, to the broader region.

The following loans are examples of the \$31.2 million of CD lending in the Putnam-Westchester AA:

- A \$4.3 million loan to develop a large mixed-use project in a moderate income census tract. In addition 20% of the housing units will be reserved for low-income individuals.
- A \$450 thousand loan to renovate an apartment building where 50% of units will be reserved for low-income individuals.

Outside of the AA but within the broader geographical area, the bank made \$6.9 million in CD loans. The following is an example:

- A \$5 million loan to finance improvements for apartment buildings in low- and moderate-income census tracts.

Product Innovation and Flexibility

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

Conclusions for Areas Receiving Limited-Scope Reviews

Based on a 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.

Lending activity in the Dutchess AA is adequate. The bank's lending activity is reflective of the credit needs of the community. MNB makes 24% of its loans in the AA and is centered in small business loans (257 loans out of 286 reported loans). The Dutchess AA does not contain any low-income or moderate-income census tracts. Therefore, an analysis of the distribution to low- or moderate-income

tracts is not meaningful. The percentage of home lending to low- and moderate- income borrowers is not inconsistent with the bank's performance in the Putnam-Westchester AA.

Based on the 2012 Deposit Market Share Report, Mahopac National Bank was ranked 18th out of 29 institutions in deposit market share in the Dutchess AA, with a 1.14% market share as of June 30, 2012. In 2011, Mahopac National Bank had 3 branches and approximately 15% of its deposits in the AA.

Based on 2010 HMDA Peer Mortgage Data:

- For total mortgage loans originated, MNB ranks 41st out of 167 mortgage lenders with 0.21% market share
- Market shares for home purchase, home refinance, and home improvement loans in all census tracts in the AA are 0.07%, 0.27%, 0.75%, respectively
- In home purchase lending, the bank ranked 93rd out of 100 lenders
- In home refinance lending, the bank ranked 35th out of 140 lenders
- In home improvement lending, the bank ranked 22nd out of 27 lenders

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

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

There is strong competition for investment opportunities within the Putnam-Westchester AA, especially from larger, nation-wide banking organizations. As a result, MNB focused their efforts on making qualifying community development grants. In addition to grants made in the AA, MNB also received positive consideration for grants made in the broader geographic areas within New York State.

During the evaluation period, MNB disbursed 76 qualifying community development grants, totaling \$78,408, or 0.10% of tier one capital. These grants were responsive to community development needs and were made to organizations focusing on economic development, community services, and affordable housing within the Putnam-Westchester AA.

Examples of grants made within the AA include:

- 18 donations, totaling \$15,982 to organizations which provides educational services to low- and moderate-income adults and children to improve literacy.
- 5 donations, totaling \$12,700 to an economic development corporation, which provides counseling to small businesses, with the aim of expanding the workforce in Putnam County.
- 3 donations, totaling \$1,500 to an organization that helps find housing for low- and moderate-income senior citizens.

Due to the limited opportunities within the AA and the strong competition for CD investments, MNB made qualifying CD grants in the broader geographical areas within New York State that include their designated AAs, but do not benefit them directly. MNB contributed a total of \$85,033 to a federal housing program that funded affordable housing initiatives in the region.

Additionally, a number of prior period investments remain on the bank's balance sheet. These include: three CRA Mortgage Backed Security (MBS) pools, totaling \$2,449,019, six municipal bonds from municipalities in underserved areas, totaling \$2,079,629, and two Small Business Administration (SBA) loan pools, totaling \$2,076,382. The CRA MBS and SBA loan pools include loans originated in New York State. The six municipal bonds are all from municipalities in New York State.

Conclusions for Area Receiving Limited-Scope Reviews

Based on the limited-scope review, the bank's performance under the investment test in the Dutchess AA is not inconsistent with the bank's overall Low Satisfactory performance under the Investment Test. During the evaluation period, the bank made nine qualifying CD grants totaling \$5,820 in the Dutchess AA.

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

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

MNB's service delivery systems are good in providing accessibility to geographies and individuals of different income levels. The Putnam-Westchester AA does not contain any low-income census tracts and only has four moderate-income census tracts. Further, 97% of the population within the Putnam-Westchester AA is either middle- or upper-income. The Putnam-Westchester AA contains 79% of the bank's branches and the bank derives 85% of its deposits from the AA. The percentage of banks operating in moderate-income geographies exceeds the AA's moderate-income population. All branches operate during normal banking hours Monday through Friday, including one day with extended hours. Saturday hours are available at 82% of the branches. MNB did not open or close any branches during the evaluation period.

Alternate delivery services provided by the bank are excellent. In particular, MNB provides access to 24 hour ATM service at all branches in the Putnam-Westchester AA and has one limited service off-site ATM. The percentage of the bank's ATMs in moderate-income geographies exceeds the AA's moderate-income population. Additional alternate delivery services provided by the bank are banking by phone, mail, internet, remote deposit capture, and deploying customer service representatives to homes and businesses. MNB's website provides all customers with 24/7 access to account balances, funds transfers, account statements, check imaging, and bill payments. Customer service representatives will also visit customer's homes or businesses to discuss and begin loan application processes. Additionally, bilingual staff are available to assist Hispanic customers perform transactions at bank branches and through banking by phone.

Community Development Services

MNB actively engages with the communities it serves by providing a good level of CD services to the Putnam-Westchester AA. Many members of bank management and their employees are involved in community service activities on an ongoing basis. During our review, we found that bank management participated in qualified CD services (see examples below). The organizations that the bank participates with mainly benefit the AA by providing financial services consulting including the process to create a small business, review loans made by the economic development organizations, educational outreach, and other activities.

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

- The President serves as a Board member of an organization that is helping to revitalize a depressed economic area.
- The President serves as a Board member of a local economic development organization that provides support to new small business owners including filing proper documentation and securing loans.
- The Human Resources Officer serves as a member of an organization which helps develop job interviewing skills for low- and moderate-income individuals.

Conclusions for Areas Receiving Limited-Scope Reviews

Based on the limited-scope review, the bank's performance under the Service Test in the Dutchess County is not inconsistent with the bank's overall "High Satisfactory" performance under 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): (01/01/09 to 12/31/11) Investment and Service Tests and CD Loans: (06/16/09 to 08/10/12)	
Financial Institution	Products Reviewed	
Mahopac National Bank (MNB) 630 Route 6 Mahopac, NY 10541	Home Mortgages, Small Loans to Businesses, Community Development Loans, Qualified Community Development Investments	
Affiliate(s)	Affiliate Relationship	Products Reviewed
Not Applicable	Not Applicable	Not Applicable
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Putnam – Westchester AA (New York-Wayne-White Plains, NY-NJ Metropolitan Division #35644)	Full Scope	This AA does not arbitrarily exclude low- or moderate- income census tracts.
Dutchess AA (Poughkeepsie-Newburgh-Middletown, NY Metropolitan Statistical Area #39100)	Limited Scope	

Appendix B: Market Profiles for Full-Scope Areas

Putnam - Westchester AA

Demographic Information for Full-Scope Area:						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	94	0.00	4.26	7.45	87.23	1.08
Population by Geography	421,942	0.00	3.41	7.79	88.80	0.00
Owner-Occupied Housing by Geography	107,799	0.00	0.89	4.18	94.93	0.00
Businesses by Geography	48,121	0.00	3.06	6.66	90.28	0.01
Farms by Geography	1,102	0.00	1.91	4.72	93.38	0.00
Family Distribution by Income Level	109,628	8.49	8.76	14.16	68.60	0.00
Distribution of Low- and Moderate-Income Families throughout AA Geographies	18,908	0.00	8.10	14.79	77.11	0.00
Median Family Income	\$49,461			Median Housing Value	\$261,367	
HUD Adjusted Median Family Income for 2011	\$67,400			Unemployment Rate	8.9%	
Households Below the Poverty Level	5%			(Bureau of Labor Statistics as of January 2013)		

(*) The NA category consists of geographies that have not been assigned an income classification.
Source: 2000 U.S. Census and 2010 HUD updated MFI.

MNBs full scope AA consists of Putnam County and northern Westchester County. This AA is part of the New York - White Plains - Wayne, NY - NJ Metropolitan Division (MD# 35644). The bank's AA is comprised of census tracts in two out of the eight counties within the MD. There are a total of 94 census tracts in this AA. Seventy-five of the 221 census tracts in Westchester County (County #119) and all census tracts of Putnam County (County #79) are included in the AA. All of the census tracts in Westchester County are not included because the bank only serves the northern portion of the county and a small area in Yonkers, NY. Eleven of the bank's 14 branches are within the AA. MNB offers a traditional line of banking products and services for loans and deposits.

The AA is primarily comprised of upper- and middle-income level census tracts, with only four moderate-income level census tracts in the AA, and no low-income level census tracts. The median household income in Putnam County and Westchester County in 2011 was \$84,622 and \$77,097 respectively. The majority, 85.22%, of the bank's total deposits are from within the Putnam – Westchester AA.

In the AA, banking competition is strong for loans, deposits, CD loans, and CD investment, which presents limited opportunities for smaller institutions with a weaker presence. As of June 30, 2012 FDIC Summary of Deposit data, MNB holds 0.06% of the deposit market share in the Putnam - Westchester County AA. JPMorgan Chase, Bank of America NA, and Citibank NA hold a larger portion the market share of deposits in the bank's AA at 34.52%, 7.84% and 6.13%, respectively.

The economy in the area is stable. Westchester County and Putnam County are bedroom communities. The largest industry, based on NAICS codes within the AA, is Professional, Scientific, and Technical Services. Major employers in Putnam County include: Putnam Hospital Center, Mahopac School District, Carmel Central School District, County of Putnam, Brewster Central School District, and Watson Laboratories Inc. Major employers in Westchester County include: IBM Corp, County of Westchester, Yonkers Public Schools, Westchester Medical Center, United States Postal Service District Office, and Verizon Communications.

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 geo-coded 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 geo-coded 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: Mahopac National Bank						Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011						
MA/Assessment Area (2011):	% 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:												
Putnam –Westchester AA	75.58	241	61,094	633	103,372	1	100	10	31,252	885	195,818	85.22
Limited Review:												
Dutchess AA	24.42	26	6,690	257	43,482	1	100	2	1,000	286	51,272	14.78
Statewide/Regional with Potential to Benefit AA:								2	6,999	2	6,999	

* Loan Data as of December 31, 2011. Rated area refers to either state or multi-state MA rating area.

** The evaluation period for Community Development Loans is from June 15, 2009 to August 10, 2012.

*** Deposit Data as of June 30, 2012. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE															Geography: Mahopac National Bank					Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011				
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 ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	% Owner Occ Units ^{***}	% BANK Loans	Overall	Low	Mod	Mid	Upp									
Full Review:																								
Putnam –Westchester AA	39	92.86	0.00	0.00	0.89	0.00	4.18	0.00	94.93	100.0	0.36	0.00	0.00	0.00	0.37									
Limited Review:																								
Dutchess AA	3	7.14	0.00	0.00	0.00	0.00	61.24	66.67	38.76	33.33	0.07	0.00	0.00	0.11	0.00									

^{*} Based on 2010 Peer Mortgage Data (USPR)

^{**} 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.

Table 3. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT		Geography: Mahopac National Bank				Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011					Market Share (%) by Geography*				
MA/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:															
Putnam –Westchester AA	44	93.62	0.00	0.00	0.89	0.00	4.18	2.27	94.93	97.73	6.57	0.00	0.00	0.00	6.90
Limited Review:															
Dutchess AA	3	6.38	0.00	0.00	0.00	0.00	61.24	33.33	38.76	66.67	0.75	0.00	0.00	0.00	1.61

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

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

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

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE															Geography: Mahopac National Bank					Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011				
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***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp									
Full Review:																								
Putnam –Westchester AA	146	87.95	0.00	0.00	0.89	0.68	4.18	0.68	94.93	98.63	0.56	0.00	0.00	0.00	0.58									
Limited Review:																								
Dutchess AA	20	12.05	0.00	0.00	0.00	0.00	61.24	35.00	38.76	65.00	0.27	0.00	0.00	0.26	0.29									

* Based on 2010 Peer Mortgage Data (USPR)

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

*** Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

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

Table 5. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY Geography: Mahopac National Bank Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011															
MA/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:															
Putnam –Westchester AA	12	100.0	0.00	0.00	10.54	8.33	18.85	25.00	70.61	66.67	10.71	0.00	0.00	0.00	12.50
Limited Review:															
Dutchess AA	0	0.00	0.00	0.00	0.00	0.00	94.42	0.00	5.58	0.00	0.00	0.00	0.00	0.00	0.00

* Based on 2010 Peer Mortgage Data(USPR)

** Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

*** Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 2000 Census information.

****Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances

Table 6. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES Geography: Mahopac National Bank Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011															
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 Businesses ^{***}	% BANK Loans	% of Businesses ^{***}	% BANK Loans	% of Businesses ^{***}	% BANK Loans	% of Businesses ^{***}	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
Putnam –Westchester AA	633	71.12	0.00	0.00	3.06	2.84	6.66	3.16	90.28	94.00	0.00	0.00	0.00	0.00	0.00
Limited Review:															
Dutchess AA	257	28.88	0.00	0.00	0.00	0.00	62.00	41.63	37.96	58.37	0.00	0.00	0.00	0.00	0.00

[†] Based on 2010 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 (2011).

Table 7. Geographic Distribution of Small Loans to Farms

Geographic Distribution: SMALL LOANS TO FARMS															Geography: Mahopac National Bank					Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*													
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp							
Full Review:																								
Putnam –Westchester AA	1	50.00	0.00	0.00	0.00	0.00	61.17	0.00	38.83	100.00	0.00	0.00	0.00	0.00	0.00									
Limited Review:																								
Dutchess AA	1	50.00	0.00	0.00	1.91	0.00	4.72	0.00	93.38	100.00	0.00	0.00	0.00	0.00	0.00									

* Based on 2010 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 (2011).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		Geography: Mahopac National Bank					Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011					Market Share*				
MA/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	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
Full Review:																
Putnam –Westchester AA	39	92.86	8.49	0.00	8.76	12.12	14.16	21.21	68.60	66.67	0.35	0.00	0.57	0.78	0.24	
Limited Review:																
Dutchess AA	3	7.14	10.70	0.00	16.40	0.00	25.45	33.33	47.45	66.67	0.08	0.00	0.00	0.22	0.00	

* Based on 2010 Peer Mortgage Data (USPR)

** Home purchase loans originated and purchased in the MAJAA as a percentage of all home purchase loans originated and purchased in the rated area

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

****As a percentage of loans with borrower income information available. No information is available for 14.3% of loans originated and purchased by bank. 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: Mahopac National Bank					Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011					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	% Families	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****						
Full Review:																
Putnam –Westchester AA	44	93.62	8.49	4.76	8.76	9.52	14.16	21.43	68.60	64.29	6.44	0.00	16.67	9.68	5.23	
Limited Review:																
Dutchess AA	3	6.38	10.70	0.00	16.40	0.00	25.45	33.33	47.45	66.67	0.78	0.00	0.00	0.00	2.00	

*Based on 2010 Peer Mortgage Data (USPR)

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

*** Percentage of Families is based on 2000 Census information

****As a percentage of loans with borrower income information available. No information is available for 4.3% of loans originated and purchased by bank
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: Mahopac National Bank															
Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011															
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share ⁶				
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans	% Families	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	Overall	Low	Mod	Mid	Upp
Full Review:															
Putnam –Westchester AA	146	87.95	8.49	0.00	8.76	4.96	14.16	16.31	68.60	78.72	0.60	0.00	1.27	0.86	0.54
Limited Review:															
Dutchess AA	20	12.05	10.70	0.00	16.40	15.00	25.45	20.00	47.45	65.00	0.29	0.00	0.33	0.17	0.37

*Based on 2010 Peer Mortgage Data (USPR)

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

*** Percentage of Families is based on 2000 Census information

****As a percentage of loans with borrower income information available. No information is available for 4.3% of loans originated and purchased by bank

Data shown Includes only One to Four-fam1ly 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: Mahopac National Bank Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011									
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
Full Review:									
Putnam –Westchester AA	633	71.12	69.77	64.14	62.40	20.38	17.22	0.00	0.00
Limited Review:									
Dutchess AA	257	28.88	69.13	72.37	64.59	14.40	21.01	0.00	0.00

* Based on 2010 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 - 2011).

**** 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 2.92% 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: Mahopac National Bank Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011									
MA/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:									
Putnam –Westchester AA	1	50.00	95.92	100.00	100.00	0.00	0.00	0.00	0.00
Limited Review:									
Dutchess AA	1	50.00	95.25	100.00	100.00	0.00	0.00	0.00	0.00

* Based on 2010 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 - 2011).

**** 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 Bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS									
Geography: Mahopac National Bank			Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011						
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Putnam –Westchester AA	0	0	76	78	76	78	1.09	0	0
Limited Review:									
Dutchess AA	0	0	9	6	9	6	0.08	0	0
Statewide/Regional with Potential to Benefit AA:									
	12	6,725	5	85	17	6,810	98.78	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: Mahopac National Bank			
Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011																	
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:																	
Putnam –Westchester AA	85.22	11	78.57	0.00	9.09	9.09	81.82	0	0	0	0	0	0	0.00	3.41	7.79	88.80
Limited Review:																	
Dutchess AA	14.78	3	23.08	0.00	0.00	33.33	66.67	0	0	0	0	0	0	0.00	0.00	63.64	36.18

