



LARGE BANK

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

PUBLIC DISCLOSURE

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COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Bridgehampton National Bank
Charter Number 9669

2200 Montauk Highway
Bridgehampton, NY 11932

Office of the Comptroller of the Currency

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New York, NY 10017-2613

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

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Overall CRA Rating

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

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

Performance Levels	(Name of Depository Institution) Performance Tests		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X		X
Low Satisfactory		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 geographic and borrower distribution for home mortgage loans are good;
- The geographic distribution of small loans to businesses is good;
- A substantial majority of both home mortgage and small loans to businesses were made within the bank’s assessment area;
- The bank’s level of community development lending in the AA is excellent. Community development lending addressed community credit needs and had a positive effect on the lending test;
- The bank’s performance under the investment test is adequate, and;
- The bank’s performance under the service test is good.

Definitions and Common Abbreviations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Description of Institution

Bridgehampton National Bank (BNB) is a full service intrastate community bank headquartered in Bridgehampton, New York. Bridgehampton is located in Suffolk County on Eastern Long Island. Established in 1910, BNB serves the primary market area of the North and South Forks of Long Island extending westward into the towns of Brookhaven and Babylon. As of June 30, 2012, BNB reported total assets of \$1.38 billion and net Tier 1 capital of \$117.71 million. BNB is a principal subsidiary of Bridge Bancorp Inc., a one-bank holding company, publically traded on NASDAQ under the ticker symbol BDGE. BNB is a part of the Bridge Bancorp family of financial institutions including a real estate investment trust, capital trust, and title insurance company. The subsidiaries have no impact on the bank's capacity to meet its community reinvestment obligations. A broad range of loan and deposit products and services are offered through its full service branch network and alternative delivery channels.

As of June 30, 2012, total bank assets comprised of \$665.0 million in net loans and total investment securities of \$662.6 million. Primary lending product is real estate related, accounting for 84 percent of total loans, or \$571.5 million. Commercial loans total \$97.9 million and account for 14 percent of total loans. Multifamily mortgage and business lines of credit are offered to commercial customers. BNB reported total deposits of \$1.24 billion. Other products offered by BNB include business and home equity lines of credit, money market funds, certificate of deposits, cash management services, remote deposit, online banking, safe deposit boxes, money orders, and more. There are currently 21 branches in operations within the Suffolk County. The opening of five additional branches is the result of significant growth experienced during the evaluation period. There were no branch closings.

BNB operates in a competitive market. The primary market in which BNB operates is shared among large multi-national financial institutions and numerous community banks and nonbank institutions. BNB also competes with credit unions and mortgage companies for lending opportunities in its geography. Management has identified limited opportunities in servicing low-income communities. Among the bank's 320 census tracts, there were only two low-income census tracts identified, accounting for less than one percent of the total census tracts. No legal impediments hinder the bank's ability to help meet the credit needs of its Assessment Area (AA).

BNB's previous CRA evaluation was dated August 13, 2007. The bank received a "satisfactory" rating.

Scope of the Evaluation

Evaluation Period/Products Evaluated

The lending test for home mortgages reported under the Home Mortgage Disclosure Act (HMDA) and small loans to businesses were evaluated from January 1, 2009 through December 31, 2011. Demographic information for Suffolk County is derived from the 2011 U.S. Department of Housing and Urban Development (HUD) data. Peer mortgage and small business used in market comparison are based on 2010 data, which was the most recently available data at the time of this evaluation. BNB originated one small loan to farms and one multifamily loan in its AA. An evaluation of these loans was determined not to be meaningful; therefore, these two categories were not evaluated. Data for the nominal activities are included in Table 7 and Table 5 of Appendix C, respectively.

The evaluation period for community development loans, qualified investments, and services originated by BNB were assessed for January 1, 2009 through December 31, 2011. Evaluation for qualification was based on the information and documentation provided by the bank. An evaluation of all community development loans, investments, and services were qualified appropriately based on the regulatory standards of CRA guidelines. In addition, we considered the level of innovation, complexity, responsiveness to community credit needs, and the degree to which these instruments are not routinely provided by private investors.

Data Integrity

A Data Integrity Examination of BNB was conducted in February of 2012 to evaluate and verify submitted HMDA and CRA data. An analysis based on a sample of HMDA and CRA small business reportable loans were conducted. During the Data Integrity examination, errors were identified; however, they were corrected prior to the start of this CRA examination.

Selection of Areas for Full-Scope Review

We performed a full scope review of the bank's one Assessment Area (AA): Suffolk County MSA #35004, which forms part of the Nassau-Suffolk, NY MD. The AA for BNB consists of 320 census tracts within Suffolk County, of which majority are middle- and moderate-income tracts. The AA's census tracts are distributed among two low income (less than one percent), 64 moderate-income (20 percent), 197 middle-income (62 percent), 48 upper-income (15 percent), and 9 NA (3 percent). Please refer to Appendix A for further details on the scope and assessment area.

Ratings

BNB's overall rating was determined by bank activities in its sole AA in Suffolk County.

Other

We considered information obtained from a contact made in a separate examination performed in 2011. This local community development organization provided insight into the needs of the AA, particularly as it relates to low- and moderate-income individuals and families.

Discussions with this community contacts revealed that despite the affluence of the AA, there is still significant need for financing and advisory services. This is especially true given the AA's high cost of living and high cost of doing business, coupled with the after-effects of the 2008 credit crisis such as unemployment, underemployment, the tightening of underwriting standards, and altered investor psychology. Specifically, there are opportunities in providing low-income housing, residential-mortgage financial literacy and foreclosure prevention, small business loans, and small business advisory services (start-ups, alternative financing, etc).

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 "High Satisfactory". Based on full-scope reviews, the bank's performance in the Suffolk County AA is good.

Lending Activity

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

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

BNB's lending activity within the AA is good. As of June 30, 2012, the bank is ranked 59th among 231 FDIC-insured institutions in the deposit market with 0.11 percent of the total market share. JP Morgan Chase dominates the deposit market with market share of 34.53 percent while the second ranking institution, The Bank of New York Mellon, has 7.91 percent of the market share. The next three competitors are Bank of America with a 7.84 percent market share, Citibank with 6.13 percent market share, and HSBC Bank with 5.33 percent market share.

BNB is ranked 99th among 257 institutions, with 0.06 percent market share, in home purchase lending based on 2010 HMDA Peer Mortgage data. Competition in home purchase lending is high. The top two home purchase lenders are multinational, diversified financial services company, with a combined market share of 29.82 percent. BNB is ranked 43rd among 84 institutions, with 0.23 percent market share, in home improvement lending based on volume and 0.16 percent market share based on dollar amount. The top two lenders are federal credit unions with combined market share of 28.67 percent.

BNB is ranked 89th among 284 institutions, with 0.11 percent market share, in refinance lending based on the same aggregate data. However, based on dollar amounts, BNB has a market share of 0.16 percent. The top lender assumes 17.87 percent of total market share, while the next five institutions following have a combined market share of 30.56 percent, individually ranging from 6.52 percent to 8.63 percent. BNB is ranked 448th among 823 institutions, with a 0.01 percent market, in small business lending. The market share is lower than the market share in deposit. BNB faces a large pool of competitors with the top lender alone assumes 25.10 percent of total market share while the next three institutions following have a combined market share of 31.30 percent ranging from 8.16 percent to 13.64 percent individually. All four of these lenders are nationwide credit card issuers.

BNB's market share in home improvement lending and refinance lending (based on dollar amounts) reflect higher market shares to the deposit market. However, home purchase and refinance lending reflect lower market shares to the deposit market. The competition in both of these lending areas is high. Market share in home purchase lending are spread among 257 institutions while refinance lending are spread among 823 institutions. Increased competitors in both lending products are diverse with large, multi-national financial institutions, taking the top rankings and dominating the market shares. BNB is among the top third in deposits market share (59th out of 231 competitors).

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.

BNB's home purchase loan geographic distribution is good. During the evaluation period, BNB originated 23 home purchase loans. The bank did not lend in the low-income geography. This is reasonable given that 0.25 percent of owner-occupied units were identified in the low-income geographies based on the 2000 US Census. BNB originated eight loans, or 34.78 percent of its home purchase loans, in the moderate-income geography. Owner-occupied units located in the moderate income geographies consisted of 19.39 percent within the bank's overall AA. BNB's market share in home purchase lending in the moderate-income geography is 0.07, nominally higher than the overall market share of 0.06 percent. A majority of home purchase loans were made to middle-income geographies, which consisted of 56.52 percent of loans made this category.

BNB's home improvement loan geographic distribution is adequate. During the evaluation period, BNB originated 10 home improvement loans. The bank did not originate any home improvement loans in the low-income geography; however, this is reasonable considering the limited opportunities given that only 0.25 percent of owner occupied units were located in the same geography. BNB made three home improvement loans to moderate-income geographies accounting for 30 percent of the total home improvement loans. Among its competitors, BNB has 0.23 percent of the overall market share in home improvement loans. The bank's market share of home improvement lending in moderate-income geographies is 0.35 percent, which is moderately higher than its overall market share. A majority of home improvement loans were made to middle-income geographies, which consisted of 60 percent of loans made in this category.

BNB's home refinance loan geographic distribution is good. During the evaluation period, BNB originated 47 home mortgage refinance loans. The percentage of lending in the low-income geographies is excellent. Only 0.25 percent of owner occupied units were identified in the low-income geographies; however, the bank was able to lend 4.26 percent of its home mortgage refinancing to individuals in this geography. A 17.02 percent of total home mortgage refinancing loans were made to moderate income geographies. The lending of home mortgage refinancing to moderate-income geographies is below the identified owner occupied units of 19.39 percent located in the same geography. BNB's market share in home mortgage refinancing to moderate income geographies is 0.17 percent, which is higher than the overall

market share of 0.11 percent. A majority of the bank's home mortgage refinancing loans are made to middle-income geographies consisting of 76.60 percent of loans made in this category.

A geographical analysis of multifamily loans is not meaningful. During the evaluation period, only one multi-family loan was made to a borrower in the moderate income geography within the bank's AA.

Small Loans to Businesses

Refer to Table 6 and 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 businesses.

The geographic distribution of small loans to businesses is good overall. During the evaluation period, BNB made 933 small loans to businesses. BNB's small business lending to low-income geographies is excellent. Based on 2011 business data from Dun and Bradstreet, only 0.39 of businesses were located in the low-income geographies while the bank was able to make 2.47 percent of its total small loans to businesses in this geography. The bank's 7.69 percent market share of loans in the low income geography is significantly higher than its overall market share of 1.01 percent. BNB made 24.33 percent of its total small loans to businesses located in the moderate-income geography. This is good considering that 19.82 percent of businesses in the bank's AA were located in the geography. The bank's 1.54 percent market share of loans in moderate income geographies is higher than its overall market share of 1.01 percent. A majority of the bank's small loans to businesses were made to middle income geographies consisting of 72.35 percent of loans made in this category.

During the evaluation period, only one small loan to farms was made to a borrower in the middle income geography within the bank's AA.

Lending Gap Analysis

We found no unexplained conspicuous gaps in BNB's lending patterns. The bank's Nassau-Suffolk and New York County AAs have a low volume of low- and moderate-income census tracts. Overall, the AAs contain two, or 0.638%, low-income census tracts; and 64, or 20.00%, moderate-income census tracts. Within these census tracts, only 71.67% of the housing units are owner-occupied. Only one of the bank's 21 branches was located in a low-income geography; and five branches were located in moderate-income geographies.

Inside/Outside Ratio

A substantial majority of the lending occurred within the bank's AA. During the evaluation period, 95 percent of HMDA loans and 97 percent of small business loans were originated in the AA.

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.

BNB's distribution of loans by borrower income level is good. Housing cost in the bank's AA is higher than the national average of \$153.8 thousand according to www.zillow.com in 2012. Based www.zillow.com and www.newsday.com, the estimated median value of homes in the bank's AA is \$329.0 thousand. Housing cost could be difficult for low- and moderate- income families to afford a home in Suffolk County. Affordable housing has been noted as one of the community needs of the bank's AA. The percent of residents living in poverty is 5.3 percent (2009, www.city-data.com) and reported unemployment rate of 7.1 percent unemployment rate (2011 US Bureau of Labor Statistics). The cost of living is very high indexed at 142.3 compared to the US Average of 100.0.

The income distribution of home purchase lending is good. We took into consideration the higher than national average home prices in the bank's AA that will be difficult for low- and moderate- families to purchase homes. During the evaluation period, BNB made 23 home purchase loans. The 2000 US Census identified 19.31 percent of low income borrowers in the bank's AA. Considering this, only 9.52 percent of total home purchase loans were made to low-income borrowers. However, BNB has a 0.11 percent market share of home purchase loans made to low income borrowers, which is moderately higher than the bank's overall market share in this lending category of 0.07 percent. Moderate income borrowers consists of 20.10 percent of the bank's AA. BNB made only 9.52 percent of total home purchase loans to moderate income borrowers. Consequently, BNB does not have a market share of home purchase loans to moderate income borrowers. A large majority of home purchase loans were made to upper-income borrowers consisting of 66.67 percent of loans made in this category.

The borrower distribution of home improvement lending is good. During the evaluation period, BNB made 10 home improvement loans. Lending to low income borrowers is excellent. The 2000 US Census identified 19.31 percent of low income borrowers in the bank's AA. However, BNB was able to make 33.33 percent of its home improvement loans to low-income borrowers. The bank has 0.74 percent of market share in home improvement loans to low income borrowers, which is more than triple the overall bank market share of 0.24 percent. BNB made 22.22 percent of its home improvement loans to moderate income borrowers. This is good, considering only 20.10 percent of borrowers in the bank's AA were moderate-income which resulted in a 0.33 percent market share. BNB did not make any home improvement loans to middle income borrowers. Upper-income borrowers consisted of 44.44 percent of total home improvement loans.

The borrower distribution of home refinance lending is adequate. During the evaluation period, a total of 47 refinance loans were made to borrowers. Lending to low income borrowers is 6.06 percent in contrast to the 19.31 percent of refinance borrowers identified as low income borrowers in the bank's AA. BNB takes 0.10 percent of home mortgage refinance loans to low income borrowers, which is below the overall market share of 0.12 percent. The bank did not make any home mortgage refinance loans to moderate-income borrowers. The bank's largest market share was 0.21 percent to upper income borrowers. Together, loans to middle and upper income borrowers is 93.94 percent of total home mortgage refinance loans. However, considering that 60.60 percent of these two income borrower categories are located in the bank's AA, this is adequate performance.

Small Loans to Businesses

Refer to Table 11 and 12 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.

BNB's distribution of small loans to businesses based on business size is adequate. During the evaluation period, BNB made 933 small loans to businesses. The 2011 business data from Dun and Bradstreet identified 71.48 percent of businesses located in the bank's AA reported revenues of \$1 million or less. Of the total small loans to businesses made, 53.48 percent of small loans were made to businesses with revenue size of this category. However, BNB has 2.92 percent market share of small loans made to businesses with revenues of less than \$1 million, exceeding its overall market share of 1.01 percent. A majority, 72.78 percent, of total small loans less than \$100 thousand in original loan amount.

During the evaluation period, only one small loan to farms was made in the bank's AA, amounting to less than \$100 thousand in original loan amount.

Community Development Lending

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

Community Development (CD) lending is excellent based on community needs, the bank's capacity, and the overall economic condition of the bank's AA. The results of community development lending have a positive impact on the overall lending testing. During the evaluation period, BNB made 27 qualified community development loans totaling \$26.64 million or 23 percent of Tier 1 Capital. We noted a significant increase in investments compared to the prior CRA examination. A majority of CD loans, \$23.06 million or 87 percent of total CD loans, were commercial mortgage loans. Among the commercial mortgage loans, \$15.13 million financed the construction or purchase of affordable housing units, \$4.17 million were made to finance or refinance mixed use properties providing affordable housing to low- and moderate- income families, and \$3.57 million financed to multi-family units with rental properties servicing low-income families. CD lending to nonprofit organizations providing community services targeted to low- or moderate- income individuals amounted to \$450 thousand. BNB made \$3.12 million in CD loans financing single-family affordable housing.

Product Innovation and Flexibility

BNB proactively met the credit needs of its community through the Green Hollow lending program. BNB introduced the lending program focused on new residents selected by the local authorities for the Green Hollow Affordable Housing Project in East Hampton. As a result of BNB financing half of the all applicants chosen for the affordable housing project, the new lending product was an innovative and an important part of the overall program. Between 2009 and 2010, BNB financed 13 borrowers who were all first time homebuyer who have met the qualifications stipulated by the East Hampton Department of Housing and Community Development. Among the borrowers were teachers, workers, and local contractors. The Green Hollow lending program financed up to 95 percent of the mortgage at a 30 year fixed rate. Borrowers signed a 99-year leasehold agreement with the town on which the houses would be built. These provisions were in place as part of the effort to maintain houses affordable for future generations.

INVESTMENT TEST

Conclusions for Areas Receiving Full-Scope Reviews

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

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 138 investments totaling \$8.75 million, representing 7 percent of Tier 1 capital. Performance is good as the majority of investments target an identified need in the AA, affordable housing and economic development. Four of the seven securities were revenue bonds for the investment in New York State Urban Development Corporation that provide a direct benefit to low- to moderate- income individuals in the Suffolk County. The primary focus of the New York State Urban Development Corporation is providing affordable housing to low- and moderate- individuals. However, investment in the organization also helps create jobs and provide economic development

through the Community Capital Assistance program. The remaining three securities were Government National Mortgage Association (Ginnie Mae) mortgage backed securities pools of loans made to low- to moderate- income families in the bank's AA. Additionally, two securities, totaling \$638.7 thousand, purchased in 2008, remain outstanding. One of the outstanding securities is a \$60.0 thousand revenue bond invested in the East Hampton Housing Authority, providing affordable housing to qualified individuals in the bank's AA. The remaining is a \$579.7 thousand Ginnie Mae mortgage back security.

BNB made 129 qualifying donations totaling \$175.9 thousand from January 1, 2009 through December 31, 2011. A majority of the donation recipients are nonprofit organizations servicing low- and moderate- income individuals through social and health services. Qualifying donations were made to various organizations including but not limited to Dominican Sisters Family Health Service, American Cancer Society, Southampton Hospital Breast Health Center, Greater East Hampton Education Foundation, Pediatric Dental Fund, Colonia Youth & Family Services, Bridgehampton Historical Society, and the East Hampton Meals on Wheels. Below is a brief outline of the total dollar amount of CD investments made by BNB.

Originated Investments (2009 to 2011)	\$ 7,937,684.00
Prior Period Investments Outstanding	\$ 638,739.73
Community Development Donations (2009 to 2011)	\$ 175,908.22
<u>Total Qualified Investments</u>	<u>\$ 8,752,331.95</u>

SERVICE TEST

Conclusions for Areas Receiving Full-Scope Reviews

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

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

All of the Bridgehampton National Bank 21 branches offer full retail services. The percentage of branches located in middle-income geographies exceeds the percentage of moderate income population that resides in those areas. There is one branch in low-income geographies. However, opportunities are limited with only two of 320 census tracts designated low income. In addition, only 0.42% of the population lives in low income geographies. Moderate income geographies are home to 23.14% of low-income individuals.

During the evaluation period, five branches were opened, two located in a moderate-income geography, and three in a middle-income. The operating hours of branches located in moderate-income areas do not materially differ from branches located in middle- or upper-

income areas. Most branches offer extended hours on at least one weekday and Saturday hours. BNB is responsive to the retail banking needs of the communities they serve by adjusting operating hours based on customer feedback and suggestions.

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

BNB offers a no minimum balance checking account products to its customers. The product offers no limit on the number of transactions, free online banking and e-pay, and electronic statements. The bank also offers a "select advantage checking" product for depositors over 50 years of age. The product offer no monthly charges, no monthly balance requirement, free direct deposit services, free online banking and e-pay, and free basic greystone-style checks.

Community Development Services

The bank provides a good level of community development services. Among the bank's 320 census tracts, two low income (less than one percent) and 64 moderate-income (20 percent) census tracts were been identified. Bank employees performed various CD service activities for nonprofit organizations benefiting low- and moderate- income individuals within the bank's AA. During the evaluation period, bank employees have provided technical assistance to North Fork Housing Alliance and Habitat for Humanity, which are nonprofit organizations focusing on providing construction and housing assistance for low- income families; Little Flower is a nonprofit organization that support the needs of abandoned children; and Eastern Hampton and North Fork Chambers of Commerce, among others. BNB has taken the initiative of implementing the "Buy an Apple" program in a bank-wide effort to raise funds for the East Hampton Food Pantry. This activity directly benefits low- and moderate- income individuals within the bank's AA.

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: (01/01/09 to 12/31/11)	
Financial Institution	Products Reviewed	
Bridgehampton National Bank (BNB) Bridgehampton, New York	HMDA, Small Business, CD loans and Investments	
Affiliate(s)	Affiliate Relationship	Products Reviewed
List of Assessment Areas and Type of Examination		
Assessment Area	Type of Exam	Other Information
Suffolk County AA (Nassau/Suffolk MSA #35004)	Full Scope	

Appendix B: Market Profiles for Full-Scope Areas

Suffolk County

Demographic Information for Full Scope Area: The Bridgehampton National Bank – Suffolk County AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	320	0.63	20.00	61.56	15.31	2.50
Population by Geography	1,419,369	0.42	23.14	61.73	14.70	0.01
Owner-Occupied Housing by Geography	374,371	0.25	19.39	63.57	16.78	0.00
Business by Geography	168,710	0.39	19.82	61.04	18.78	0.01
Farms by Geography	3,970	0.30	21.66	63.55	14.48	0.00
Family Distribution by Income Level	362,857	19.31	20.10	25.32	35.28	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	142,974	0.62	30.22	60.25	8.91	0.00
Median Family Income	76,221	Median Housing Value		207,175		
HUD Adjusted Median Family Income for 2006	106,100	Unemployment Rate		1.97%		
Households Below Poverty Level	6%	(2000 US Census)				

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

Source: 2000 US Census and 2011 HUD updated MFI

The Bridgehampton National Bank assessment area (AA) includes all of Suffolk County, NY, which is part of the New York-Northern New Jersey-Long Island MSA. In this area, BNB's major competitors include JPMorgan Chase, National Association; Capital One, National Association; The First National Bank of Long Island; and The Suffolk County National Bank of Riverhead. Amongst their 231 competitors, BNB ranks 59th in deposit with 0.11 percent in market share. The AA meets regulatory guidelines as it corresponds to an accepted political subdivision (county) and does not arbitrarily exclude any low- or moderate-income areas. All of the bank's 21 full service retail branches and 31 ATMs (11 stand-alone) are located in the AA. As presented above, the AA is comprised of 320 census tracts in the Suffolk County. The AA census Tracts are spread among two low-income (less than one percent), 64 moderate-income (20 percent), 197 middle-income (61.56 percent), and 49 upper-income (15.31 percent).

The economic condition within Nassau-Suffolk is slowly recovering, as job growth across several of the metro division's largest industries has fizzled. The only industries adding to payrolls now are manufacturing and related industries such as transportation, warehousing, and wholesale trade. State and local employment are holding steady and rendering a better labor market performance in Nassau-Suffolk compared with surrounding areas where the public sector is a major drag on growth.

Job and income growth will slow over the next year and will lag the rest of the state and the nation. Relatively faster job growth in lower-paying service industries will weigh on wages and salaries in the near term. In the long run, income growth will be average when compared with the nation's average. Nassau-Suffolk lost many high-paying jobs in the finance and high-tech manufacturing sector. Although the public sector in Long Island held up relatively well, mass layoffs at the Long Island Railroad, a state-run entity, will detract further from growth over the next quarter. However, the possibility of an Indian casino on Long Island's east end could create thousands of low-wage government jobs in the foreseeable term. There is still much debate about the placement of the casino. Local officials are lobbying for the casino's move to the New York City suburbs.

Robust home sales over the past year and a half suggest that some of the foreclosed inventories are being absorbed. The data from RealtyTrac showed the number of homes entering the foreclosure process is down from a year ago. Historically, affluent towns benefit from tourist activities and second-home buying. This is particular true when wages in New York City's financial services industry were performing at prerecession norms. In the near term, incomes in Nassau-Suffolk may receive a boost should annual bonuses from Wall Street are paid at yearend rather than early next year in order to head off potential increase in income tax rates on high-earning households. However, job growth in financial services in New York City will be slow for the remainder of this year and through early next year as firms adjust to new regulations—this could take some steam out of home sales and retail spending.

Private sector job growth will be sluggish in Nassau-Suffolk for the remainder of this year and into the first half of next year. Nassau Suffolk will manage to recoup the jobs it lost during the recession by late 2012. The area's well-educated population and highly active labor force make it ripe for attracting high-growth tech startups. But high business and living costs will deter firms from relocating, and job growth will be subpar through the long-term forecast horizon.

Suffolk County encompasses 912 square miles of eastern Long Island. Headquarters of the bank is located in the county seat of Bridgehampton about 97 miles east of Manhattan. Suffolk is urban and suburban in character, with an estimated 1.5 million residents as of 2011. The western portion of the county has become a high technology center with expanding biotechnology industries, but is also a bedroom community for New York City commuters. The eastern part of the county is known for its farming, fishing, and resort communities.

According to the US Bureau of Labor Statistics, the 2011 unemployment rate for the Nassau-Suffolk Long Island was 7.1%, which is below the national unemployment rate of 8.95%. Major employers in Long Island include North Shore-Long Island, Jewish-Health Systems, Cablevision Systems, Diocese of Rockville Centre, The State University at New York (SUNY) at Stony Brook, Waldbaum's, Sbarro's, Inc, Winthrop South Nassau University Health System, Verizon Communications, The Home Depot Inc., and Pathmark Stores. Top industry sectors are education and health services, government, professional business services, and retail trade

Housing in the area is largely owner-occupied and expensive. According to 2000 census data, the median housing value was \$207 thousand, almost three times the median family income.

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: THE BRIDGEHAMPTON NB						Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011						
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:												
The Bridgehampton NB - Suffolk County AA	100.00	81	29,938	936	112,874	15	24,456	0	0	1,032	167,268	100.00

* 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 January 01, 2009 to December 31, 2011.

*** Deposit Data as of November 20, 2012. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 1. Other Products

LENDING VOLUME		Geography: THE BRIDGEHAMPTON NB				Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011								
Assessment Area (2011):	% 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:														
The Bridgehampton NB - Suffolk County AA	100.00	218	44,815	217	44,520	0	0	0	0	0	0	0	0	100.00

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

^{**} The evaluation period for Optional Product Line(s) is from January 01, 2009 to December 31, 2011.

^{***} Deposit Data as of November 20, 2012. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 1. Other Products

LENDING VOLUME		Geography: THE BRIDGEHAMPTON NB		Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011	
Assessment Area (2011):	Other Unsecured Consumer Loans		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
Full Review:					
The Bridgehampton NB - Suffolk County AA	0	0	1		295

* The evaluation period for Optional Product Line(s) is from January 01, 2009 to December 31, 2011.

Table 2. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE		Geography: THE BRIDGEHAMPTON NB						Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011							
Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	% Owner Occ Units	% BANK Loans	Over all	Low	Mod	Mid	Upp
Full Review:															
The Bridgehampton NB - Suffolk County AA	23	100.00	0.25	0.00	19.39	34.78	63.57	56.52	16.78	8.70	0.06	0.00	0.07	0.06	0.05

* 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.

**** 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: THE BRIDGEHAMPTON NB						Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011							
Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
The Bridgehampton NB - Suffolk County AA	10	100.00	0.25	0.00	19.39	30.00	63.57	60.00	16.78	10.00	0.23	0.00	0.35	0.25	0.00

* Based on 2010 Peer Mortgage Data (USPR)

** 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: THE BRIDGEHAMPTON NB						Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011						
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:															
The Bridgehampton NB - Suffolk County AA	47	100.00	0.25	4.26	19.39	17.02	63.57	76.60	16.78	2.13	0.11	0.00	0.17	0.13	0.00

* 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: THE BRIDGEHAMPTON NB					Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011					Market Share (%) by Geography*				
Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Overall	Low	Mod	Mid	Upp	
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans						
Full Review:																
The Bridgehampton NB - Suffolk County AA	1	100.00	0.35	0.00	37.14	100.00	55.64	0.00	6.87	0.00	0.00	0.00	0.00	0.00	0.00	

* Based on 2010 Peer Mortgage Data (USPR)

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

*** Percentage of Multi Family Units is the number of multifamily units in a particular geography divided by the number of multifamily housing units in the area based on 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: THE BRIDGEHAMPTON NB								Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011					
Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	% of Business***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
The Bridgehampton NB - Suffolk County AA	933	100.00	0.39	2.47	19.82	24.33	61.04	72.35	18.73	0.86	1.01	7.69	1.54	1.18	0.08

* 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: THE BRIDGEHAMPTON NB						Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011							
Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography				
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp
Full Review:															
The Bridgehampton NB - Suffolk County AA	1	100.00	0.30	0.00	21.66	0.00	63.55	100.00	14.48	0.00	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: THE BRIDGEHAMPTON NB								Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011					
Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total**	% Families***	% BANK Loans****	% Families ¹	% BANK Loans***	% Families***	% BANK Loans****	% Families**	% BANK Loans****	Overall	Low	Mod	Mid	Upp
Full Review:															
The Bridgehampton NB - Suffolk County AA	23	100.00	19.31	9.52	20.10	9.52	25.32	14.29	35.28	66.67	0.07	0.11	0.00	0.03	0.15

* 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 Families is based on the 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 8.7% 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: THE BRIDGEHAMPTON NB								Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011					
Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share				
	#	% of Total ^{**}	% Families [*]	% BANK Loans ^{****}	% Families ²	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	Overall	Low	Mod	Mid	Upp
Full Review:															
The Bridgehampton NB - Suffolk County AA	10	100.00	19.31	33.33	20.10	22.22	25.32	0.00	35.28	44.44	0.24	0.74	0.33	0.00	0.23

* Based on 2010 Peer Mortgage Data (USPR)

** 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 2000 Census information.

**** As a percentage of loans with borrower income information available. No information was available for 10.0% 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: THE BRIDGEHAMPTON NB				Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011							
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:															
The Bridgehampton NB - Suffolk County AA	47	100.00	19.31	6.06	20.10	0.00	25.32	24.24	35.28	69.70	0.12	0.10	0.00	0.09	0.21

^{*} 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 Families is based on the 2000 Census information.

^{****} As a percentage of loans with borrower income information available. No information was available for 29.8% 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: THE BRIDGEHAMPTON NB			Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011				
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:									
The Bridgehampton NB - Suffolk County AA	933	100.00	71.48	53.48	72.78	15.76	11.47	1.01	2.92

^{*} 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 17.15% 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: THE BRIDGEHAMPTON NB			Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011				
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:									
The Bridgehampton NB - Suffolk County AA	1	100.00	96.35	0.00	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 the bank.

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

Geographic and Borrower Distribution: CONSUMER LOANS		Geography: THE BRIDGEHAMPTON NB										Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011							
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:																			
The Bridgehampton NB - Suffolk County AA	1	100.00	0.36	0.00	22.29	100.00	62.40	0.00	14.95	0.00	22.71	0.00	17.71	100.00	22.17	0.00	37.41	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 2000 Census Information.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: THE BRIDGEHAMPTON NB			Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011				
Assessment Area:	Prior Period Investments [*]		Current Period Investments		Total Investments			Unfunded Commitments ^{**}	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
The Bridgehampton NB - Suffolk County AA	2	\$638,739.00	136	\$8,113,592.22	138	\$8,752,331.95	100.00	0	0

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

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

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

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS Geography: THE BRIDGEHAMPTON NB Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011																	
MA/Assessment Area:	Deposit s	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposit s in AA	# of BANK Branch es	% of Rated Area Branch es in AA	Location of Branches by Income of Geographies (%)				# of Branch Opening s	# 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:																	
The Bridgehampton NB - Suffolk County AA	100.00	21	100.00	4.06	23.81	71.43	0.00	5	0	0	2	3	0	0.42	23.14	61.73	14.70

Distribution of Branch and ATM Delivery System

Distribution of Branch and ATM Delivery System		Geography: THE BRIDGEHAMPTON NB						Evaluation Period: JANUARY 1, 2009 TO DECEMBER 31, 2011									
MA/Assessment Area:	Deposit s	Branches						ATMs				Population					
	% of Total Bank Deposit s	# of Bank Branch es	% of Total Bank Branch es	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:																	
The Bridgehampton NB - Suffolk County AA	100.00	21	100.00	4.76	23.81	71.43	0	32	100.00	1	9	21	1	0.42	23.14	61.73	14.70

Demographic Information for Full Scope Area: The Bridgehampton NB - Suffolk County AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	320	0.63	20.00	61.56	15.31	2.50
Population by Geography	1,419,369	0.42	23.14	61.73	14.70	0.01
Owner-Occupied Housing by Geography	374,371	0.25	19.39	63.57	16.78	0.00
Business by Geography	168,710	0.39	19.82	61.04	18.73	0.01
Farms by Geography	3,970	0.30	21.66	63.55	14.48	0.00
Family Distribution by Income Level	362,857	19.31	20.10	25.32	35.28	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	142,974	0.62	30.22	60.25	8.91	0.00
Median Family Income HUD Adjusted Median Family Income for 2011 Households Below Poverty Level		76,221 106,100 6%	Median Housing Value Unemployment Rate (2000 US Census)		207,175 1.97%	

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

Source: 2000 US Census and 2011 HUD updated MFI