



PUBLIC DISCLOSURE

July 13, 2015

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

The Putnam County National Bank of Carmel
Charter Number 976

43 Gleneida Avenue
Carmel, NY 10512

Office of the Comptroller of the Currency

340 Madison Avenue
4th Floor
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, nor should it 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.

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

The major factors supporting this rating are:

- The average of all quarterly loan-to-deposit ratios since the last community reinvestment act examination is reasonable.
- A substantial majority of loans were originated to borrowers within the bank's assessment area.
- The distribution of loans to borrowers with different income levels and businesses of different sizes represents reasonable penetration within the bank's assessment area.

SCOPE OF EXAMINATION

We evaluated the bank's performance of meeting the credit needs of their local community under the small bank Community Reinvestment Act (CRA) performance standards. The evaluation period of the examination covers December 7, 2009 through July 13, 2015, and represents the time period between the start of the bank's prior and current CRA Performance Evaluations. The small bank performance standards consist of a lending test. The lending test evaluates the bank's record of helping to meet the credit needs of its assessment area through its lending activities. The evaluation period for the lending test covered loans originated between January 1, 2012 and December 31, 2014. Based on the number and dollar amount of loans originated during the evaluation period and the bank's business strategy we determined that home loans and business loans were the primary loan type.

We utilized the information reported on the bank's 2012, 2013, and 2014 Home Mortgage Disclosure Act (HMDA) Loan Application Registers (LAR), and internally compiled home Modification, Extension, and Consolidation Agreements (MECA), and business loans reports to conduct our analyses. As explained in §345.22(a)(2)-3 of the Interagency Questions and Answers Regarding Community Reinvestment (Q&As), MECAs are essentially refinance transactions in which the original loans are not satisfied and replaced. Although these transactions are not considered refinancing, as defined by HMDA, and are not reported on the HMDA LAR, they achieve the same purpose and are, therefore, evaluated as such for CRA purposes. Our examiners conducted a data integrity review in March 2015, which determined that the loan data were reliable.

Due to changes in the Metropolitan Division (MD) and Metropolitan Statistical Area (MSA) delineations, effective January 1, 2014, data from 2012 and 2013 was analyzed separately from 2014 data.

DESCRIPTION OF INSTITUTION

The Putnam County National Bank of Carmel (PCNB) is a family owned national bank, headquartered in Carmel, Putnam County, New York. PCNB is an independent bank and is not part of a holding company, nor does it have any subsidiaries or affiliates. PCNB operates six branches and one ATM located in middle and upper income geographies. Five branches and one ATM are located in Putnam County, and one branch is located in Westchester County. All branch office hours are offered Monday through Friday and three branches are open on Saturday.

PCNB was established in 1865 and for approximately 150 years has been providing a variety of financial services, including retail and commercial banking services. Deposit products include certificate of deposit accounts, demand accounts, NOW accounts, money market accounts, and savings accounts. Lending products include 1-4 residential mortgages, multifamily residential mortgages, commercial mortgages, and to a much lesser extent consumer loans, construction loans and commercial and industrial loans.

As of December 31, 2014, PCNB had total assets of \$160 million, with \$79.8 million in million in loans. PCNB's primary business strategy includes real estate lending consisting of 1-4 family residential mortgages, multifamily mortgages, and commercial mortgages. Real estate loans totaled \$74.4 million representing 93.3 percent of total loans and 46.5 percent of total assets as of December 31, 2014.

The bank received a rating of "Satisfactory" in the prior CRA performance evaluation dated December 7, 2009.

DESCRIPTION OF ASSESSMENT AREA(S)

PCNB's assessment area ("AA") consists of Putnam County, the southeast corner of Dutchess County, and the northeast corner of Westchester County in New York. It encompasses all 19 census tracts in Putnam County, eight census tracts in Dutchess County, and one census tract in Westchester County.

The AA meets regulatory requirements. It includes the geographies in which the bank has its main office and branches, as well as the surrounding geographies in which the bank has originated a substantial portion of its loans. The delineation of the AA does not arbitrarily exclude low- or moderate-income geographies or reflect illegal discrimination.

The AA includes portions of different MSAs and MDs. For 2014, Putnam and Dutchess counties were located in the Dutchess County-Putnam County, NY MD # 20524 and Westchester County was located in the New York-Jersey City-White Plains, NY-NJ MD # 35614. The 2012 and 2013 MDs both were located in the larger New York-Newark-Jersey City, NY-NJ-PA MSA # 35620. For 2012 and 2013, Putnam and Westchester counties were located in New York-White Plains-Wayne, NY-NJ MD # 35644, which

was within the New York-Northern New Jersey-Long Island, NY-NJ-PA MSA # 35620. Dutchess County was part of Poughkeepsie-Newburgh-Middletown, NY MSA # 39100.

Putnam and Dutchess Counties – 2014

The portion of the bank’s AA located in Putnam and Dutchess counties consists of 27 geographies/census tracts. The following table illustrates the demographics for this portion of the AA:

Demographic Information for Full Scope Area: Putnam and Dutchess Counties						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	27	0.00	0.00	62.96	33.33	3.70
Population by Geography	127,853	0.00	0.00	62.81	35.57	1.62
Owner-Occupied Housing by Geography	36,999	0.00	0.00	60.69	39.31	0.00
Business by Geography	9,154	0.00	0.00	61.07	38.91	0.02
Farms by Geography	394	0.00	0.00	60.66	39.34	0.00
Family Distribution by Income Level	33,342	13.95	15.46	22.67	47.92	0.00
Distribution of Low- and moderate-income Families throughout AA Geographies	9,806	0.00	0.00	67.21	32.79	0.00
Median Family Income		86,488	Median Housing Value	415,813		
HUD Adjusted Median Family Income for 2014		90,800	Unemployment Rate	2.90%		
Households Below Poverty Level		4%	(2010 US Census)			

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

Sources: 2010 US Census and 2014 HUD updated MFI

According to 2010 US Census and 2014 HUD Data, this area consists of 17 middle-income geographies (63 percent) and nine upper-income geographies (33 percent). It does not include any low- or moderate-income geography. The area has a population of 127,853 and 33,342 families. The median family income is \$86.5 thousand and only four percent of the households are below the poverty level.

Westchester County – 2014

The remaining portion of the bank’s AA consists of one census tract in Westchester County. The following table describes the demographics for this geography:

Demographic Information for Full Scope Area: Westchester County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	1	0.00	0.00	0.00	100.00	0.00
Population by Geography	5,104	0.00	0.00	0.00	100.00	0.00
Owner-Occupied Housing by Geography	1,472	0.00	0.00	0.00	100.00	0.00
Business by Geography	408	0.00	0.00	0.00	100.00	0.00
Farms by Geography	22	0.00	0.00	0.00	100.00	0.00
Family Distribution by Income Level	1,296	1.54	6.10	14.27	78.09	0.00
Distribution of Low- and moderate-income Families throughout AA Geographies	99	0.00	0.00	0.00	100.00	0.00
Median Family Income HUD Adjusted Median Family Income for 2014 Households Below Poverty Level		68,006 68,900 1%	Median Housing Value Unemployment Rate (2010 US Census)		655,300 2.45%	

(*) The NA category consists of geographies that have not been assigned an income classification.
Sources: 2010 US Census and 2014 HUD updated MFI

The census tract is considered upper-income geography. It has a population of 5,104 and 1,296 families. The median family income is \$68.0 thousand and only one percent of households are below the poverty line.

The Office of Management and Budget (“OMB”) revised the nation’s MSA and MD delineations effective January 1, 2014. Although PCNB’s assessment area did not change, the MSAs within the assessment area were altered. As a result, demographic and loan data for 2014 is presented separately from 2012 and 2013 throughout this evaluation. Demographic data for the MSAs prior to the change is presented below.

Putnam and Westchester Counties – 2012 and 2013

Putnam and Westchester counties were included in MD 35644 prior to 2014. PCNB’s AA included 20 geographies/census tracts in the MD. The following table describes the demographics for this geography:

Demographic Information for Full Scope Area: Putnam and Westchester Counties						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	20	0.00	0.00	0.00	100.00	0.00
Population by Geography	104,814	0.00	0.00	0.00	100.00	0.00
Owner-Occupied Housing by Geography	31,015	0.00	0.00	0.00	100.00	0.00
Business by Geography	9,004	0.00	0.00	0.00	100.00	0.00
Farms by Geography	350	0.00	0.00	0.00	100.00	0.00
Family Distribution by Income Level	27,836	7.61	9.68	15.57	67.14	0.00
Distribution of Low- and moderate-income Families throughout AA Geographies	4,811	0.00	0.00	0.00	100.00	0.00
Median Family Income HUD Adjusted Median Family Income for 2013 Households Below Poverty Level		64,171 66,000 4%	Median Housing Value Unemployment Rate (2010 US Census)		438,518 2.96%	

(*) The NA category consists of geographies that have not been assigned an income classification.
Sources: 2010 US Census and 2013 HUD updated MFI

This portion of the AA consisted of 20 upper-income geographies. It had a population of 104,814 and 27,836 families. The median family income was \$64.2 thousand and only four percent of the households were below the poverty level.

Dutchess County – 2012 and 2013

Dutchess County was included in MD 39100 prior to 2014. PCNB’s AA included eight geographies/census tracts in the County. The following table describes the demographics for this geography:

Demographic Information for Full Scope Area: Dutchess County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	8	0.00	0.00	50.00	37.50	12.50
Population by Geography	28,143	0.00	0.00	48.64	43.98	7.38
Owner-Occupied Housing by Geography	7,456	0.00	0.00	49.44	50.56	0.00
Business by Geography	1,869	0.00	0.00	58.96	40.93	0.11
Farms by Geography	112	0.00	0.00	67.86	32.14	0.00
Family Distribution by Income Level	6,802	15.11	16.04	22.10	46.75	0.00

Distribution of Low- and moderate-income Families throughout AA Geographies	2,119	0.00	0.00	52.34	47.66	0.00
Median Family Income	82,963	Median Housing Value	371,169			
HUD Adjusted Median Family Income for 2013	85,800	Unemployment Rate (2010 US Census)	2.59%			
Households Below Poverty Level	3%					

(*) The NA category consists of geographies that have not been assigned an income classification.
 Sources: 2010 US Census and 2013 HUD updated MFI

This portion of the bank's AA consisted of eight middle and upper income geographies. It had a population of 28,143 and 6,802 families. The median family income was \$83.0 thousand and only three percent of the households were below the poverty level.

Competition and Local Economy

PCNB operates in a highly competitive market. There is a high volume of large, midsize, and community banks that serve the same geographies. According to FDIC data as of June 30, 2014, there are 46 institutions with 487 offices located within Putnam, Dutchess, and Westchester counties. PCNB's deposit market share is just 0.18 percent in these three counties. In addition, according to 2013 HMDA data, the bank's market share for home purchase, refinances, and home improvement loans is less than one percent in its AA.

The condition of the bank's AA is stable. The AA has a total of 9,978 businesses; primarily consisting of businesses in the services industry, retail, and construction. Roughly 71 percent of families living in the Putnam and Dutchess portion of the AA and 92 percent of the families living in the Westchester portion of the AA are middle- or upper-income families. In addition, the unemployment rate for each area is low at 2.90 percent and 2.45 percent, respectively.

We contacted a local community development organization to gain a better understanding of the community's economic condition, demographic characteristics, banking and credit needs, community development opportunities, and bank participation in community development. The organization serves Putnam County by providing affordable housing for low- and moderate-income families, the homeless, and the elderly; and providing housing, financial, and foreclosure counseling to those in need. Although there are no low- or moderate-income census tracts located within the AA, the contact indicated that it contains several low-income multi-family properties and neighborhoods. The contact indicated that the local economy has improved in recent years, but there is still a credit need for affording housing. There are opportunities for banks to participate in community development due to the large number of local not-for-profit organizations aimed at helping these individuals. The contact explained that the community has sufficient access to credit due to the large number of banks in the area, and that the local financial institutions are involved in community development activities and programs.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

Overall, the bank's lending activities meets the standards for satisfactory performance. This conclusion is based upon the results of the loan-to-deposit ratio, lending in assessment area, and lending to borrowers of different incomes and to businesses of different sizes. All criteria of the specific lending tests are documented below.

Loan-to-Deposit Ratio

The average loan-to-deposit ("LTD") ratio is reasonable considering the lending opportunities and demographic factors in the AA. PCNB's average quarterly LTD ratio is 70.61 percent over the past 21 quarters since the prior CRA examination (December 31, 2009 to December 31, 2014). This compares favorably to the average of 62.93 percent for five similarly situated banks operating within or near the bank's local market. The peer group contains banks located in Putnam, Dutchess, Westchester, or Orange County in New York with total assets less than \$250 million.

PCNB's quarterly LTD ratio ranged from a high of 79.59 percent as of December 31, 2009, to a low of 62.31 percent as of December 31, 2014. The ratio experienced a decreasing trend over the review period due to decreased loan demand and increased competition in the bank's market. Management currently maintains a sufficient level of liquidity and intends to grow the loan portfolio if demand improves.

Lending in Assessment Area

A substantial majority of PCNB's primary loan products were distributed inside their assessment area. Table 1 illustrates the distribution of HMDA reportable and non-HMDA reportable home MECA loans inside and outside the bank's assessment by number and dollar volume. Between 2012 and 2014, 66 loans, or 77 percent, of total loan originations were inside the AA. Based on dollar volume, \$22.36 million or 83 percent of total home loan originations were inside the AA.

Table 1 - Lending in PNCB's Assessment Area 2012-2014										
Loan Type	Number of Loans					Dollars of Loans (\$ in thousands)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Purchase	13	68%	6	32%	19	\$5,171	72%	\$1,985	28%	\$7,156
Home Refinance	5	83%	1	17%	6	\$1,314	83%	\$260	17%	\$1,574
Home Improvement	0	0%	1	100%	1	\$0	0%	\$300	100%	\$300
Home MECAs	18	75%	6	25%	24	\$7,146	77%	\$2,113	23%	\$9,259
Business	30	83%	6	17%	36	\$8,729	70%	\$3,690	30%	\$12,419
Totals	66	77%	20	23%	86	\$22,360	83%	\$4,658	17%	\$27,018

Sources: 2012 - 2014 HMDA data, home MECAs data, and business loans data

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

The distribution of loans reflects reasonable penetration among individuals of different income levels and businesses of different sizes. We placed greater emphasis on the distribution of home loans since these products were originated at higher volumes during the evaluation period.

Home Loans

The distribution of home loans reflects reasonable penetration amongst borrowers of different income given the limited lending opportunities and high competition within the AA. There was reasonable penetration amongst low- and moderate-income borrowers during 2012- 2013, and poor penetration amongst low- and moderate income borrowers in 2014. We placed little emphasis on the 2014 Westchester County penetration results as PCNB has minimal operations and had no loan originations in this portion of the AA. We placed heavy emphasis on home purchase and home MECAs penetration amongst low- and moderate income borrowers. These two products comprised 86.0 percent of the total number of home loan originations from 2012 through 2014. Tables 2 through 5 illustrate the distribution of home loans to borrowers.

The penetration of home MECAs to low- and moderate-income borrowers was 9.09 percent in the Putnam and Westchester counties portion of the AA in 2012-2013. This reflects reasonable penetration as the amount of low- and moderate-income families represent 7.61 percent and 9.68 percent respectively. There was no penetration of home purchase loans to low- and moderate-income borrowers. However, PCNB received only one application from a low- or moderate-income borrower. We placed more weight on the home MECAs, since they represented 64.71 percent of the total home loan originations. Further, the low penetration of home loans to low- and moderate-income families was not significantly less than other peer mortgage lenders within this AA. According to the most recent aggregate peer mortgage data from 2013, other lenders within this portion of the AA had penetration of 1.38 percent and 5.32 percent to low- and moderate-income borrowers respectively.

The penetration of home purchase loans to moderate income borrowers was 33.33 percent in the 2012-2013 Dutchess County portion of the AA. PCNB also originated one home refinance or 100 percent of the total number of home refinances to a moderate income borrower. This exceeds the 16.04 percent of moderate income families within this portion of the AA. This also exceeded the penetration of other peer lenders within this portion of the AA which was 13.23 percent. No loans were made to low income borrowers, but no applications from low income borrowers were received. This low level of penetration to low income borrowers was similar amongst peer mortgage lenders. According to the most recent aggregate peer mortgage data from 2013, other lenders within this portion of the AA had penetration of 3.70 percent to low income borrowers.

PCNB made no home loans to low- or moderate-income borrowers in 2014. However, in the Putnam and Dutchess counties portion of the AA, PCNB received only one home loan application from a low- or moderate-income borrower. Further, PCNB's operations are limited in Westchester County to one branch that is located in an upper income

census tract. The opportunity to lend to low- and moderate-income borrowers is also limited as only 7.64 percent of the families in Westchester County meet the criteria for low- or moderate-income.

Overall, the high cost of housing coupled with high competition makes homeownership difficult for most low- and moderate-income borrowers within the AA. The 2010 U.S Census Data indicated that the average median home prices were \$656.0 thousand and \$415.8 thousand in Westchester County and Putnam-Dutchess counties respectively. The 2014 HUD updated median family income (MFI) is \$69.0 thousand and \$90.8 thousand in the Westchester County and Putnam-Dutchess counties respectively. Based on these statistics, it would be difficult for a low- or median-income borrower to meet the criteria for home ownership. Additionally, in 2014 more than 130 lenders originated home loans in this AA and PCNB's share of the home mortgage market was less than 0.40 percent.

Table 2 - Borrower Distribution of Residential Real Estate Loans in Putnam and Westchester Counties portion of the AA located in the New York-White Plains-Wayne, NY-NJ MD in 2012-2013									
Borrower Income Level	Low		Moderate		Middle		Upper		Income Not Available
	% of AA Families	% of Number Of Loans	% Of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% Of AA Families	% of Number of Loans	
Home Purchase	7.61%	0.00%	9.68%	0.00%	15.57%	20.00%	67.14%	80.00%	0.00%
Home Refinance	7.61%	0.00%	9.68%	0.00%	15.57%	0.00%	67.14%	100.00%	0.00%
Home Improvement	7.61%	0.00%	9.68%	0.00%	15.57%	0.00%	67.14%	0.00%	0.00%
Home MECAs	7.61%	9.09%	9.68%	9.09%	15.57%	9.09%	67.14%	54.55%	18.18%

Source: 2012 – 2013 HMDA data, 2012 – 2013 home MECAs data, and 2010 U.S. Census data

Table 3 - Borrower Distribution of Residential Real Estate Loans in Dutchess County portion of the AA located in the Poughkeepsie-Newburgh-Middletown, NY MSA in 2012-2013								
Borrower Income Level	Low		Moderate		Middle		Upper	
	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	15.11%	0.00%	16.04%	33.33%	22.10%	0.00%	46.75%	66.67%
Home Refinance	15.11%	0.00%	16.04%	100.00%	22.10%	0.00%	46.75%	0.00%
Home Improvement	15.11%	0.00%	16.04%	0.00%	22.10%	0.00%	46.75%	0.00%
Home MECAs	15.11%	0.00%	16.04%	0.00%	22.10%	0.00%	46.75%	100.00%

Source: 2012 – 2013 HMDA data, 2012 – 2013 home MECAs data, and 2010 U.S. Census data

Table 4 - Borrower Distribution of Residential Real Estate Loans in Putnam and Dutchess Counties portion of the AA located in the Dutchess County-Putnam County MD in 2014								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	13.95%	0.00%	15.46%	0.00%	22.67%	33.33%	47.92%	66.67%
Home Refinance	13.95%	0.00%	15.46%	0.00%	22.67%	0.00%	47.92%	100.00%
Home Improvement	13.95%	0.00%	15.46%	0.00%	22.67%	0.00%	47.92%	0.00%
Home MECAs	13.95%	0.00%	15.46%	0.00%	22.67%	0.00%	47.92%	100.00%

Source: 2014 HMDA data, 2014 home MECAs data and 2010 U.S. Census data

Table 5 - Borrower Distribution of Residential Real Estate Loans in the Westchester County portion of the AA located in the New York-Jersey City-White Plains, NY-NJ MD in 2014								
Borrower Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	1.54%	0.00%	6.10%	0.00%	14.27%	0.00%	78.09%	0.00%
Home Refinance	1.54%	0.00%	6.10%	0.00%	14.27%	0.00%	78.09%	0.00%
Home Improvement	1.54%	0.00%	6.10%	0.00%	14.27%	0.00%	78.09%	0.00%
Home MECAs	1.54%	0.00%	6.10%	0.00%	14.27%	0.00%	78.09%	0.00%

Source: 2014 HMDA data, 2014 home MECAs data, and 2010 U.S. Census data

Business Loans

The distribution of loans to businesses reflects excellent penetration among businesses of different sizes. Small businesses are defined as businesses with gross annual revenues of one million dollars or less. The percent of loans made to small businesses exceeded the percent of small businesses within the AA in 2012-2013. The percent of small businesses within the Putnam and Westchester counties portion of the AA and Dutchess County portion of the AA were 78.18 percent and 77.09 percent respectively. PCNB distributed 94.44 percent and 100 percent of the total number of business loans to small businesses within the Putnam and Westchester counties portion of the AA and the Dutchess County portion of the AA respectively.

In 2014, small businesses represented 78.39 percent of total businesses within the Putnam and Dutchess County portion of the AA. The bank distributed 77.78 of their total number of business loans to small businesses within this same portion of the AA. There were no loans to businesses within the Westchester County portion of the AA. This is considered reasonable given the bank's operations consists of a single branch and no loans are originated within this portion of the AA. Tables 6 through 9 illustrate the distribution of business loans from 2012 to 2014.

Table 6 - Borrower Distribution of Loans to Businesses in Putnam and Westchester Counties portion of the AA located in the New York-White Plains-Wayne, NY-NJ MD in 2012-2013				
Business Revenues	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	78.18%	3.80%	18.02%	100%
% of Bank Loans in AA by #	94.44%	5.56%	0.00%	100%
% of Bank Loans in AA by \$	99.44%	0.56%	0.00%	100%

Source: 2012-2013 Business Loans and 2012-2013 Business Geodemographic data

Table 7 - Borrower Distribution of Loans to Businesses in Dutchess County portion of the AA located in the Poughkeepsie-Newburgh-Middletown, NY MSA in 2012-2013				
Business Revenues	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	77.09%	2.77%	20.14%	100%
% of Bank Loans in AA by #	100.00%	0.00%	0.00%	100%
% of Bank Loans in AA by \$	100.00%	0.00%	0.00%	100%

Source: 2012-2013 Business Loans and Business Geodemographic data

Table 8 - Borrower Distribution of Loans to Businesses in Putnam and Dutchess Counties portion of the AA located in the Dutchess County-Putnam County MD in 2014				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	78.39%	3.91%	17.70%	100%
% of Bank Loans in AA by #	77.78%	22.22%	0.00%	100%
% of Bank Loans in AA by \$	40.43%	59.56%	0.00%	100%

Source: 2014 Business Loans and Business Geodemographic data

Table 9 - Borrower Distribution of Loans to Businesses in the Westchester County portion of the AA located in the New York-Jersey City-White Plains, NY-NJ MD in 2014				
Business Revenues	≤\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	78.60%	3.49%	17.91%	100%
% of Bank Loans in AA by #	0.00%	0.00%	0.00%	0%
% of Bank Loans in AA by \$	0.00%	0.00%	0.00%	0%

Source: 2014 Business Loans and Business Geodemographic data

Geographic Distribution of Loans

We did not evaluate the bank's performance under the geographic distribution of loans criteria as there are no low- or moderate-income geographies in the assessment area. Therefore, this part of the lending test does not represent a meaningful part of this CRA evaluation.

Responses to Complaints

The bank did not receive any CRA complaints during the evaluation period.

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.