

PUBLIC DISCLOSURE

October 31, 1996

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Patriot National Bank
Charter Number: 22545

900 Bedford Street
Stamford, CT 06901

Office of the Comptroller of the Currency
Metro New York Duty Station
112 Madison Ave.
New York, NY 10016

NOTE: 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.

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the 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. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of

Patriot National Bank prepared by the Office of the Comptroller of the Currency, the institution's supervisory agency, as of October 31, 1996. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 25.

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

Primary factors supporting the bank's overall rating include:

- o The loan-to-deposit ratio is 68%
- o 63.5 % of loan originations are in the bank's assessment area;
- o The distribution of loans among different geographies in the bank's assessment areas is reasonable; and
- o The distribution of loans to borrowers of different incomes and businesses of varying sizes is reasonable.

The following table indicates the performance level of Patriot National Bank with respect to each of the five performance criteria.

SMALL
INSTITUTION
ASSESSMENT
CRITERIA
PATRIOT NATIONAL BANK
PERFORMANCE LEVELS

Exceeds
Standards
for
Satisfactory
Performance

Meets
Standards
for
Satisfactory
Performance

Does not
meet
Standards
for
Satisfactory
Performance

Loan to Deposit
Ratio

X

Lending in
Assessment
Area

X

Lending to
Borrowers of
Different
Incomes and to
businesses of
Different sizes

X

Geographic
Distribution of
Loans

X

Response to
Complaints

X

DESCRIPTION OF INSTITUTION

Patriot National Bank was newly formed in mid-1994 and is headquartered in Stamford, Connecticut. As a young, growth-oriented commercial bank, Patriot is in the process of establishing its core base of deposit and lending customers. Plans are to establish two additional branches this year within its assessment area in Greenwich, Connecticut. As of October 31, 1996, total assets were \$47.5 million, total loans were \$30.1 million, and total deposits were \$41.5 million. Commercial loans represent 84% and residential mortgages comprise 10% of the total loan portfolio. Consumer loans represent a nominal 6% of the portfolio. The banking services offered are oriented towards meeting the needs of individuals, small and medium-sized businesses, and professionals. The primary lending focus is commercial real estate. The bank's marketplace is very competitive, with several community banks, thrift institutions, and offices of several larger regional and multinational institutions competing for business throughout Stamford and its neighboring towns of New Canaan and Greenwich.

Patriot National Bank operates one banking office from which it provides a full range of deposit and loan services. The bank has focused its efforts on serving the market which has historically been served by community banks operating in Stamford. The one branch office in Stamford has an Automated Teller Machines (ATM) available. ATM cards are available to all bank customers. The branch has extended banking hours. The bank has no legal impediments or other restrictions that would preclude it from meeting the needs of its assessment areas.

DESCRIPTION OF ASSESSMENT AREAS

Patriot National Bank has defined one assessment area for the Community Reinvestment Act (CRA) which includes MSA 8040 and the portion of MSA 1160 which includes the municipalities of Fairfield, Easton and Bridgeport. The assessment area comprises a major portion of Fairfield County and has a total of 144 census tracts. The assessment area complies with the requirements of the CRA and does not arbitrarily exclude low or moderate income areas. The total population of the bank's assessment area is 531,342. The bank's assessment area is considered metropolitan and has a median family income approximating \$55,408. Economic conditions are stable.

There is one branch office located within this assessment area in the city of Stamford. This branch was opened in August, 1994 as part of the headquarters of the newly chartered bank. There are thriving business areas throughout the bank's assessment area with a number of Fortune 500 companies located here. Fairfield County also has a highly developed industrial economy which includes sophisticated electronics and wearing apparel manufacturing companies. Some of the largest employers in Fairfield County are General Electric, Xerox, and Champion International. The unemployment rate has trended well below the national and state averages for the last couple of years.

and was approximately 4% as of July, 1995. Fairfield County has one of the highest levels of consumer disposable income per family in the entire United States.

The city of Stamford is the most populous municipality in Fairfield County. The city has successfully attracted many large businesses, such as GE Capital and Champion International, and smaller service companies, such as Savin and Thompson Publishing, to the downtown area. Credit needs include loans for small business and mortgages for home purchase and improvement.

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA:

The level of Patriot National Bank's loan-to-deposit ratio is reasonable and indicates a good commitment to meeting the small business credit needs of the community, particularly in real estate lending for commercial purposes. Patriot's loan-to-deposit ratio was 75% as of 10-31-96. Due to the start-up nature of the bank, lack of a prior CRA performance assessment, and significant growth trend over the last two years, the actual loan-to-deposit ratio was used instead of a periodic average number.

A majority of the bank's loan originations from Oct-95 to Oct-96 were within the bank's assessment area, reflecting a good response to the community's credit needs. The bank's geographic analysis of loans originated during this period indicates that 64% was within the bank's assessment area.

The distribution of loans among different census tracts within the bank's assessment areas is reasonable. The overall geographic distribution includes 21 or 15% low income, 31 or 22% moderate income, 49 or 34% middle income, and 42 or 29% upper income census tracts. Loan originations showed a favorable trend across all geographies in the assessment area, particularly in moderate income census tracts. A total of 30% of loan originations were to these census tracts, exceeding the overall 22% distribution of these tracts within the bank's assessment area.

The distribution of borrowers reflects a good penetration of the small business market. From October, 1995 to October, 1996, 84% of commercial loans originated were small business loans (defined as a loan for less than \$1 million). Additionally, Patriot National Bank's Call Report dated June 30, 1996 shows that 69% of the business loans outstanding on that date had an original amount of \$1 million or less. Of this total, 7% were loans with original amounts of less than \$100 thousand, 10% were loans with original amounts of more than \$100 thousand and less than \$250 thousand, and 52% were loans with original amounts of more than \$250 thousand and less than \$1 million. Home equity revolving lines of credit outstanding as of October 31, 1996 consisted of \$2.9MM, or 9% of total loans. A total of \$3.8MM in residential purchase mortgage loans were originated from October 31, 1995 to October 31, 1996, with the majority of

these loans sold in the secondary market.

During the prior Fair Lending examination, no violations of Fair Lending laws and regulations were found.