

# **PUBLIC DISCLOSURE**

April 1, 2024

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Peapack-Gladstone Bank  
RSSD No. 236706

500 Hills Drive, Suite 300  
Bedminster Township, NJ 07921

Federal Reserve Bank of New York

33 Liberty Street  
New York, NY 10045

**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.

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## INSTITUTION'S CRA RATING

### INSTITUTION'S CRA RATING: SATISFACTORY

The following table indicates the performance level of Peapack-Gladstone Bank (Peapack or the bank) with respect to the lending, investment, and service tests.

PERFORMANCE TEST			
PERFORMANCE LEVELS	RATINGS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	<b>X</b>	<b>X</b>	<b>X</b>
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

\* The lending test is weighted more heavily than the investment and service tests in determining the overall rating.

### SUMMARY OF MAJOR FACTORS SUPPORTING RATINGS

The major factors supporting the institution's rating include the following:

#### LENDING TEST

- Lending levels reflected good responsiveness to assessment area credit needs.
- An adequate percentage of loans were made in the bank's assessment area.
- The geographic distribution of loans reflected good penetration throughout the assessment area.
- The distribution of borrowers reflected, given the product lines offered by the bank, adequate penetration among retail customers of different income levels and among business customers of different sizes.
- The bank exhibited a good record of serving the credit needs of the most economically disadvantaged area of its assessment area, low-income individuals, and/or very small businesses, consistent with safe and sound banking practices.
- The bank was a leader in making community development loans.

- The bank made extensive use of innovative and/or flexible lending practices in order to serve assessment area credit needs.

#### **INVESTMENT TEST**

- The bank had a significant level of qualified community development investments and grants, occasionally in a leadership position, particularly those not routinely provided by private investors.
- The bank exhibited good responsiveness to credit and community economic development needs.
- The bank occasionally used innovative and/or complex investments to support community development initiatives.

#### **SERVICE TEST**

- Delivery systems were accessible to essentially all portions of the bank's assessment area.
- To the extent changes were made, the bank's opening and closing of branches did not adversely affect the accessibility of its delivery systems, particularly in low- and moderate-income (LMI) geographies and/or to LMI individuals.
- Services including business hours did not vary in a way that inconvenienced certain portions of the assessment area, particularly LMI geographies and/or individuals.
- The bank provided a relatively high level of community development services.

## INSTITUTION

### DESCRIPTION OF INSTITUTION

Peapack is a full-service commercial bank headquartered in Bedminster, New Jersey (NJ) with total assets as of \$6.5 billion as of December 31, 2023. Peapack is the sole bank subsidiary of Peapack-Gladstone Financial Corporation.

Peapack operates 16 full-service branch locations and 1 limited-service mobile branch based at the bank's main office. Peapack operates three loan production offices (LPOs). Since the prior evaluation, the bank closed four branches in its assessment area and opened one LPO outside its assessment area. The bank provides traditional banking services, including consumer and commercial deposit and lending products and services, as well as private banking services.

Peapack's business lines consist of consumer lending, retail deposit services, business services, personal trust and investment services. Consumer lending products include purchase and refinance residential mortgages, home equity loans and lines of credit, and auto and personal loans. Peapack also offers business services, such as commercial and small business lending, business checking, and cash flow management. Peapack is an active Small Business Administration (SBA) lender.

Based on the December 31, 2023 Federal Financial Institutions Examination Council's (FFIEC) Consolidated Report of Condition and Income (Call Report), Peapack's loan portfolio is summarized in the following table:

<b>Loan Portfolio as of 12/31/2023</b>		
<b>Loan Type</b>	<b>\$(000s)</b>	<b>%</b>
1-4 Family Residential Real Estate	587,737	11.3
Construction	17,721	0.3
Multifamily (5 or more units) Residential Real Estate	1,836,390	35.4
Home Equity Line of Credit	36,461	0.7
Consumer	55,683	1.1
Agricultural Production and Other Loans to Farmers	5,916	0.1
Commercial & Industrial	1,292,186	24.9
Nonfarm Nonresidential Secured	1,317,757	25.4
Other	34,908	0.7
<b>Total Loans</b>	<b>5,184,759</b>	<b>100.0</b>
<i>Source: Call Report December 31, 2023</i>		

Based on the December 31, 2023 Uniform Bank Performance Report (UBPR), Peapack's deposit portfolio by dollar volume was comprised primarily of NOW and ATS accounts, money market deposit accounts, and time deposits as summarized in the following table:

<b>Deposit Portfolio as of 12/31/2023</b>		
<b>Deposit Type</b>	<b>\$(000s)</b>	<b>%</b>
Demand Deposits	257,652	4.7
All NOW and ATS	1,466,917	27.0
Money Market Deposits	2,888,462	53.2
Other Savings Deposits	111,573	2.1
Time Deposits at or below Insurance Limit	466,154	8.6
Time Deposits Above Insurance Limit	105,948	2.0
Brokered Deposits	130,507	2.4
<b>Total Deposits</b>	<b>5,427,213</b>	<b>100.0</b>
<i>Source: UBPR as of December 31, 2023</i>		

## DESCRIPTION OF ASSESSMENT AREA

The bank’s assessment area did not change from the previous evaluation. The bank delineated one assessment area for CRA purposes, which is a portion of Metropolitan Statistical Area (MSA) 35620 (New York-Newark-Jersey City, NY-NJ-PA).

In 2020, 2021, and 2022, the bank’s assessment area was comprised of seven contiguous full counties that spanned three Metropolitan Divisions (MDs) within MSA 35620. Counties included in the assessment area are Hunterdon, Morris, Essex, and Union from MD 35084 (Newark, NJ-PA), Hudson within MD 35614 (New York-Jersey City-White Plains, NY-NJ), and Middlesex and Somerset within MD 35154 (New Brunswick-Lakewood, NJ).

Peapack’s assessment area was in compliance with the requirements of Section 228.41 of Regulation BB. A map illustrating the bank’s assessment area is in Appendix A. There were no financial or legal factors that would prevent the bank from fulfilling its responsibilities under the CRA.

### Previous Performance Evaluation

The Federal Reserve Bank of New York assigned a Satisfactory rating at the prior CRA Performance Evaluation dated June 7, 2021, using FFIEC’s Large Institution CRA Examination Procedures. The Lending Test was rated Low Satisfactory, the Investment Test was rated High Satisfactory, and the Service Test was rated Low Satisfactory.

## SCOPE OF EVALUATION

### Procedures

Peapack’s CRA performance was reviewed using the FFIEC’s Large Institution CRA Examination Procedures. These procedures include the lending, investment, and service tests. The evaluation considered the CRA performance context, including the bank’s asset size, financial condition, market competition, assessment area demographics, and credit and community development needs.

### Products

During this evaluation, loans reportable under the Home Mortgage Disclosure Act (HMDA) and small business loans subject to CRA data reporting requirements were analyzed, as these loan types represented

the bank's major product lines. HMDA loans included home purchase, home refinance, home improvement, and multifamily (five or more units) properties. The small business loans included commercial real estate, commercial and industrial loans, and lines of credit in amounts of \$1 million or less. The bank did not originate any small farm loans. Examiners verified the integrity of HMDA and small business data reported for 2020, 2021, and 2022. Examiners also analyzed community development loans, investments, and services. Multifamily loans considered in the retail lending test were also considered in the evaluation of community development lending.

### **Evaluation Period**

Examiners reviewed the bank's home mortgage and small business loans between January 1, 2020 through December 31, 2022. The evaluation of the bank's community development loans, qualified investments, philanthropic grants, and community development services included all qualified activities from January 1, 2021 through December 31, 2023. The Investment Test included investments and grants made during the evaluation period and the current book value of any qualified investments outstanding from the prior evaluation. At the previous evaluation, Paycheck Protection Program (PPP) loans originated in 2020 greater than \$1 million were evaluated as part of community development activities. For this evaluation, PPP loans originated on or after January 1, 2021, and greater than \$1 million were evaluated as community development activities. Additionally, PPP loans less than or equal to \$1 million that were reported on or after January 1, 2020 on the small business loan register were considered in this CRA evaluation.

### **Lending Analysis**

Under the Lending Test, borrower and geographic loan distribution analyses included only loans originated inside the assessment area. The bank's 2020 and 2021 HMDA lending was compared to the 2015 American Community Survey (2015 ACS) demographic data, and 2022 HMDA lending was compared to the U.S. Department of Commerce's Bureau of the Census 2020 (2020 U.S. Census). HMDA lending for 2020, 2021, and 2022, was also compared to the aggregate lending data. The bank's record of small business lending was compared to 2020, 2021, and 2022, Dun & Bradstreet (D&B) demographic data and aggregate small business loan data for the same years. Aggregate lenders included all lenders required to report HMDA and CRA-reportable lending data within the assessment area. For retail services, the branch distribution analysis was conducted using data as of December 31, 2022.

To evaluate the geographic distribution, the proportion of home purchase and refinance loan originations located in LMI geographies were compared to the proportion of owner-occupied housing units located in LMI geographies. Home improvement loans were not included in the analysis as the volume was deemed too low to conduct a meaningful analysis. Multifamily loan originations located in LMI geographies was compared to the proportion of multifamily (rental) housing units located in LMI geographies. For small business loans, the analysis compared the proportion of loan originations located in LMI geographies with the proportion of businesses located in LMI geographies, based on D&B data. Performance in LMI geographies were analyzed separately. The lending analysis also considered lending opportunities in LMI census tracts as indicated by demographic data and aggregate lending patterns.

To analyze the distribution of HMDA loans by borrower profile, the proportion of originations to LMI borrowers was compared to the proportion of LMI families residing in the assessment area. Median family income (MFI) estimates from the FFIEC were used to categorize borrower income. Examiners did not evaluate multifamily lending under this criterion since the bank is not required to report borrower income data for those loans. For small business lending, the analysis compared the proportion of loans to businesses with gross annual revenues (GARs) of \$1 million or less, to the proportion of all businesses located in the assessment area.

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## Community Development Activity Analysis

Community development activities were reviewed to determine whether activities had community development as a primary purpose and whether the community development activities benefited the bank's assessment area or the broader statewide or regional area (BSRA) that included the assessment area. In addition, pursuant to CA Letter 21-5: CRA Consideration for Activities in Response to the Coronavirus, qualified community development activities supporting community needs related to the COVID-19 pandemic located outside of the assessment or BSRA were also given consideration. The eligibility of a loan, investment, or service as a community development activity was based on demographic information at the time the community development activity was undertaken. Qualified community development activities were analyzed from both quantitative and qualitative perspectives to understand the volume of activity impacting the assessment area, the innovativeness of those activities, and the responsiveness to local community development and credit needs. When appropriate, peer comparisons were conducted using annualized metrics to gauge the relative performance of the institution in a particular assessment area.

## PERFORMANCE CONTEXT

The following demographic and economic information were used to describe this assessment area and to evaluate the context in which Peapack operated. The information was obtained from publicly available sources, including the 2015 ACS, 2020 U.S. Census, Bureau of Labor Statistics (BLS), D&B, FFIEC, and U.S. Department of Housing and Urban Development (HUD).

### Demographic Characteristics

According to the 2020 U.S. Census, the population of this assessment area was 4,010,682. The assessment area consisted of 920 census tracts, of which 129 or 14.0% were low-income, 204 or 22.2% were moderate-income, 246 or 26.7% were middle-income, 328 or 35.7% were upper-income, and 13 or 1.4% were of unknown-income.

### Income Characteristics

Based on the 2020 U.S. Census, the assessment area had 947,462 families, of which 23.4% were low-income (7.5% of which were below the poverty level), 16.2% were moderate-income, 18.4% were middle-income, and 42.0% were upper-income. This data suggests that it would be difficult for LMI families to qualify for a home mortgage loan or support a monthly mortgage payment, especially considering the area's median housing value of \$394,122. Therefore, lenders may have faced challenges originating loans to LMI borrowers.

The table below depicts the FFIEC MFIs for the assessment area for 2015 and 2020.



<b>Median Family Income Change</b>			
<b>Area</b>	<b>2015 MFI</b>	<b>2020 MFI</b>	<b>Percent Change</b>
Assessment Area	\$96,744	\$106,027	9.6
Essex County, NJ	\$74,963	\$83,801	11.8
Hudson County, NJ	\$68,216	\$80,756	18.4
Hunterdon County, NJ	\$137,657	\$145,264	5.5
Middlesex County, NJ	\$102,484	\$109,871	7.2
Morris County, NJ	\$131,234	\$143,166	9.1
Somerset County, NJ	\$130,189	\$142,098	9.1
Union County, NJ	\$91,154	\$98,624	8.2
MD 35154 (New Brunswick-Lakewood, NJ)	\$104,411	\$113,495	8.7
MD 35614 (New York-Jersey City-White Plains, NY-NJ)	\$73,814	\$85,483	15.8
MD 35084 Newark, NJ-PA	\$98,955	\$107,333	8.5
State of New Jersey	\$96,513	\$104,804	8.6

*Source: 2015 ACS; 2020 U.S. Census; MFI have been inflation-adjusted and are expressed in 2020 dollars*

### **Housing Characteristics**

Based on the 2020 U.S. Census data, the assessment area had 1,480,372 housing units, of which 52.5% were owner-occupied, 41.0% were rental, and 6.6% were vacant. Of the total housing units, 12.6% were in low-income census tracts, 21.6% in moderate-income census tracts, 27.9% in middle-income census tracts, 37.4% in upper-income census tracts, and 0.4% in unknown-income census tracts. In low-income census tracts, 19.1% of housing units were owner-occupied, 71.0% were rental units, and 9.9% were vacant. In moderate-income census tracts, 34.6% of housing units were owner-occupied, 57.7% were rental units, and 7.7% were vacant. This data suggested that there was a greater opportunity to rent than to own housing units in low- or moderate-income geographies in this assessment area, which limited opportunities for lenders to originate 1-4 family home mortgage loans in these geographies.

The median age of housing stock in this assessment area was 60 years old, with 29.4% of the stock built before 1950. The median age of housing stock in both low- and moderate-income tracts was 61 years. The median housing value in this assessment area was \$394,122 with an affordability ratio of 21.9. The median gross rent in the assessment area was \$1,399 per month.

<b>Housing Characteristics</b>			
<b>Geographic Area</b>	<b>Median Housing Value</b>	<b>Affordability Ratio</b>	<b>Median Gross Rent</b>
Assessment Area	\$394,122	21.9	\$1,399
Essex County, NJ	\$395,900	16.2	\$1,211
Hudson County, NJ	\$400,800	18.7	\$1,450
Hunterdon County, NJ	\$418,700	28.2	\$1,443
Middlesex County, NJ	\$351,400	26.1	\$1,495
Morris County, NJ	\$462,100	25.4	\$1,622
Somerset County, NJ	\$436,700	26.7	\$1,636
Union County, NJ	\$378,700	21.8	\$1,335
MD 35154 (New Brunswick-Lakewood, NJ)	\$361,873	25.4	\$1,489
MD 35614 (New York-Jersey City-White Plains, NY-NJ)	\$553,158	13.3	\$1,486
MD 35084 (Newark, NJ-PA)	\$388,386	22.0	\$1,307
State of New Jersey	\$343,500	24.8	\$1,368
<i>Source: 2020 U.S. Census</i>			

### **Housing Cost Burden**

Housing costs were relatively expensive in this assessment area, which indicated that affordable housing for LMI individuals and families continued to be a challenge. According to HUD's data, within the assessment area, 45.0% of all rental households had rental costs that exceeded 30.0% of their incomes, 77.9% of low-income rental households had rental costs that exceeded 30.0% of their income, and 40.0% of moderate-income rental households had rental costs that exceeded 30.0% of their income.

According to HUD's data, within this assessment area, 30.3% of homeowners had housing costs that exceeded 30.0% of their incomes, 84.6% of low-income homeowners had housing costs that exceeded 30.0% of their income, and 61.5% of moderate-income homeowners had housing costs that exceeded 30.0% of their income. See the table below for more details.

<b>Housing Cost Burden</b>						
<b>Area</b>	<b>Cost Burden - Renters</b>			<b>Cost Burden - Owners</b>		
	<b>Low Income</b>	<b>Moderate Income</b>	<b>All Renters</b>	<b>Low Income</b>	<b>Moderate Income</b>	<b>All Owners</b>
Assessment Area	77.9	40.0	45.0	84.6	61.5	30.3
Essex County, NJ	75.7	36.2	50.4	88.7	72.2	35.6
Hudson County, NJ	76.9	39.6	42.1	85.9	66.9	35.6
Hunterdon County, NJ	82.1	27.9	43.6	80.3	47.5	24.3
Middlesex County, NJ	79.3	40.0	43.3	79.7	50.1	28.6
Morris County, NJ	80.3	55.8	39.4	86.1	62.0	26.6
Somerset County, NJ	82.4	43.5	42.0	82.8	55.6	26.0
Union County, NJ	80.3	39.1	47.5	90.3	65.1	32.9
MD 35154 (New Brunswick-Lakewood, NJ)	79.6	45.7	46.7	75.7	48.2	29.0
MD 35614 (New York-Jersey City-White Plains, NY-NJ)	76.2	42.6	47.5	75.9	52.2	32.8
MD 35084 (Newark, NJ-PA)	77.6	40.3	47.6	86.6	62.6	30.4
State of New Jersey	78.0	43.2	46.7	81.6	55.1	30.0
<i>Cost Burden is housing cost that equals 30.0% or more of household income.</i>						
<i>Source: HUD, 2015-2019 Comprehensive Housing Affordability Strategy</i>						

### **Labor, Economic, and Employment Characteristics**

According to D&B data, there were 185,495 businesses operating in this assessment area in 2022, of which 9.3% were in low-income census tracts and 16.1% were in moderate-income tracts. Of the total businesses operating in the assessment area, 90.2% were small businesses with GARs of \$1 million or less, of which 9.4% were in low-income census tracts and 16.4% were in moderate-income census tracts. This information reflects the potential demand for, and the opportunity to originate, small business loans in the assessment area.

Peapack operated in a competitive banking market with large national banks, local community and state-chartered banks, credit unions, mortgage companies and non-bank financial institutions. According to the FDIC Deposit Market Share from June 30, 2023, Peapack faced substantial competition in MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA). Competitors ranged from national banks like JP Morgan Chase Bank (33.0% of deposit market share) to regional banks like Customers Bank. Out of the 161 institutions in MSA 35620, Peapack ranked 41<sup>st</sup> with 0.2% of deposit market share.

According to the BLS, unemployment in the assessment area was 9.2% in 2020, decreased to 6.6% in 2021, and decreased to 3.6% in 2022. The State of New Jersey had an unemployment rate of 9.4% in 2020, decreased to 6.6% in 2021, and decreased to 3.7% in 2022. The COVID-19 pandemic contributed to the high unemployment rates in 2020 and 2021 within the assessment area and in the state of New Jersey. Additional unemployment rates are provided in the subsequent table.

<b>Unemployment Rates</b>			
<b>Area</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Assessment Area	9.2	6.6	3.6
Essex County, NJ	11.2	8.3	4.5
Hudson County, NJ	10.2	7.0	3.6
Hunterdon County, NJ	6.9	4.8	2.9
Middlesex County, NJ	8.5	6.0	3.3
Morris County, NJ	7.5	5.3	3.0
Somerset County, NJ	7.5	5.4	3.1
Union County, NJ	9.5	6.9	3.9
MD 35154 (New Brunswick-Lakewood, NJ)	8.5	5.9	3.4
MD 35614 (New York-Jersey City-White Plains, NY-NJ)	11.3	8.8	5.0
MD 35084 (Newark, NJ-PA)	9.5	6.8	3.9
State of New Jersey	9.4	6.6	3.7
<i>Source: BLS, Local Area Unemployment Statistics</i>			

Additional demographic data for this assessment area is provided in the following table.

Assessment Area Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	129	14.0	104,588	11.0	24,010	23.0	222,053	23.4
Moderate-income	204	22.2	195,196	20.6	23,229	11.9	153,354	16.2
Middle-income	246	26.7	265,361	28.0	13,552	5.1	174,345	18.4
Upper-income	328	35.7	378,904	40.0	8,613	2.3	397,710	42.0
Unknown-income	13	1.4	3,413	0.4	1,415	41.5	0	0
<b>Total Assessment Area</b>	<b>920</b>	<b>100.0</b>	<b>947,462</b>	<b>100.0</b>	<b>70,819</b>	<b>7.5</b>	<b>947,462</b>	<b>100.0</b>
	<b>Housing Units by Tract</b>	<b>Housing Types by Tract</b>						
		<b>Owner-Occupied</b>			<b>Rental</b>		<b>Vacant</b>	
		#	%	%	#	%	#	%
Low-income	187,227	35,746	4.6	19.1	132,982	71.0	18,499	9.9
Moderate-income	320,086	110,860	14.3	34.6	184,607	57.7	24,619	7.7
Middle-income	413,247	235,726	30.4	57.0	152,803	37.0	24,718	6.0
Upper-income	553,578	393,423	50.7	71.1	131,817	23.8	28,338	5.1
Unknown-income	6,234	827	0.1	13.3	4,541	72.8	866	13.9
<b>Total Assessment Area</b>	<b>1,480,372</b>	<b>776,582</b>	<b>100.0</b>	<b>52.5</b>	<b>606,750</b>	<b>41.0</b>	<b>97,040</b>	<b>6.6</b>
	<b>Total Businesses by Tract</b>	<b>Businesses by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	17,205	9.3	15,769	9.4	1,311	7.9	125	7.8
Moderate-income	29,790	16.1	27,405	16.4	2,190	13.3	195	12.2
Middle-income	52,705	28.4	47,067	28.1	5,217	31.6	421	26.4
Upper-income	84,955	45.8	76,496	45.7	7,612	46.1	847	53.1
Unknown-income	840	0.5	647	0.4	186	1.1	7	0.4
<b>Total Assessment Area</b>	<b>185,495</b>	<b>100.0</b>	<b>167,384</b>	<b>100.0</b>	<b>16,516</b>	<b>100.0</b>	<b>1,595</b>	<b>100.0</b>
	<b>Percentage of Total Businesses:</b>			<b>90.2</b>		<b>8.9</b>		<b>0.9</b>
	<b>Total Farms by Tract</b>	<b>Farms by Tract &amp; Revenue Size</b>						
		<b>Less Than or = \$1 Million</b>		<b>Over \$1 Million</b>		<b>Revenue Not Reported</b>		
		#	%	#	%	#	%	#
Low-income	31	3.3	29	3.2	2	8.3	0	0
Moderate-income	58	6.2	57	6.3	1	4.2	0	0
Middle-income	174	18.6	161	17.7	12	50.0	1	33.3
Upper-income	674	71.9	663	72.9	9	37.5	2	66.7
<b>Total Assessment Area</b>	<b>937</b>	<b>100.0</b>	<b>910</b>	<b>100.0</b>	<b>24</b>	<b>100.0</b>	<b>3</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>			<b>97.1</b>		<b>2.6</b>		<b>0.3</b>	

Source: 2022 FFIEC Census Data and 2022 D&B

## **Community Contacts**

As part of the evaluation process, examiners reviewed recent interviews with third parties active in the assessment area to assist in identifying credit and community development needs. This information helped determine whether financial institutions were responsive to those needs and showed what credit and community development opportunities were available.

A recent community contact interview was reviewed from a non-profit organization that provided affordable housing rentals to LMI families. The contact identified affordable housing as a primary need in the assessment area. The contact explained that, since 2020, housing and rental prices increased significantly. The contact indicated that it had become difficult for a family earning minimum wage to afford to live in Essex County. As such, residents were unable to break the poverty cycle. The contact also identified the need for financial education and affordable and flexible residential lending products.

Examiners also reviewed a recent interview with a business development manager located in Middlesex County. The contact was a representative of an organization established to drive economic vitality in Middlesex County through business retention, recruitment, and expansion. The organization received funding through taxpayer dollars, as well as federal and state grants. The manager emphasized the need for access to flexible capital for small and minority-owned businesses. The contact believed that there was opportunity for banks and local governments to do more in terms of meeting the area's small business credit needs.

Considering information from the community contacts, bank management, and demographic and economic data, examiners determined that affordable housing represented the primary community development need in this assessment area, and affordable and flexible home mortgage products represented the primary credit need. Small business financing was also an acute credit need during and post-pandemic. Financial education for residents and area small businesses represented additional community development needs.

## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

### **LENDING TEST**

Peapack's performance in the Lending Test is rated High Satisfactory.

#### **Lending Activity**

Peapack's lending activity reflected good responsiveness to assessment area's credit needs, given the bank's capacity to meet the credit needs and overall market conditions. This conclusion was primarily based on the bank's volume of home mortgage and small business loans originated or purchased during the evaluation period.

As shown in the subsequent table, the bank made 1,840 HMDA loans totaling nearly \$2.0 billion and 2,974 small business loans totaling approximately \$493.6 million. This lending activity represented an overall annualized performance over 36 months of 613.3 HMDA loans totaling \$653.8 million and 991.3 small business loans totaling \$164.5 million. Annualized performance increased 114.7% by number of HMDA loans, and 652.7% of small business loans by number, when compared to the bank's previous evaluation's annualized performance of 857 HMDA loans and 395 small business loans over 36 months. The increase in lending activity was largely attributed to the origination of PPP loans, discussed in more detail below.

In 2022, Peapack ranked 61<sup>st</sup> out of 654 lenders that reported at least one home mortgage loan in the assessment area. Most of the institutions that ranked higher than Peapack were significantly larger national

or regional financial institutions and mortgage companies including Wells Fargo Bank, Rocket Mortgage LLC, JPMorgan Chase Bank, TD Bank NA, and United Shore Financial Services. These five home mortgage lenders captured 19.7% of the total market share, by number of loans, further reflecting the competitive nature of the home mortgage market.

In 2022, Peapack ranked 49<sup>th</sup> out of 219 lenders that reported at least one small business loan in the assessment area. Most of the institutions that ranked higher than Peapack are significantly larger regional and national lenders including American Express National Bank, JPMorgan Chase Bank, Bank of America, Capital One NA, and Citibank NA. These five institutions captured 67.9% of the total market share. More recently, due to the nationwide pandemic, Peapack originated a significant number of PPP loans for area businesses. Specifically, the bank originated a total of 2,241 PPP loans for \$1 million or less totaling \$260.9 million in 2020, and 217 PPP Loans for \$1 million or less totaling \$21.5 million in 2021.

As the bank is primarily a commercial lender, small business lending was weighted more heavily than home mortgage lending. Examiners emphasized performance by number of loans, as that data was a better indicator of the number of individuals and businesses served.

The bank’s lending activity is summarized in the following table.

<b>MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA)</b>				
<b>Summary of Institution Lending Activity</b>				
<b>January 1, 2020 through December 31, 2022</b>				
<b>Loan Type</b>	<b>#</b>	<b>%</b>	<b>\$ (000s)</b>	<b>%</b>
Home Improvement	22	0.5	4,530	0.2
Home Purchase	632	13.1	251,114	10.2
Loan Purpose Not Applicable	1	<0.1	136	<0.1
Multifamily	234	4.9	1,321,169	53.8
Refinancing	951	19.8	384,473	15.7
<b>Total HMDA</b>	<b>1,840</b>	<b>38.2</b>	<b>1,961,422</b>	<b>79.9</b>
<b>Total Small Business</b>	<b>2,974</b>	<b>61.8</b>	<b>493,553</b>	<b>20.1</b>
<b>Total Small Farm</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL LOANS</b>	<b>4,814</b>	<b>100.0</b>	<b>2,454,975</b>	<b>100.0</b>

### Assessment Area Concentration

An adequate percentage of Peapack’s total lending was originated within the assessment area. As shown in the subsequent table, 69.6% of the bank’s total loans by number and 42.8% by dollar volume were made in the assessment area. Of Peapack’s HMDA-related loans, 64.0% by number and 37.5% by dollar volume were made in the assessment area. The difference in percentages by number and by dollar volume may be attributable to multifamily loans originated outside the assessment area as they were typically higher in dollar amount compared to other types of home mortgage loans. Multifamily loans outside of the assessment area accounted for 74.9% of the bank’s total outside of assessment area dollar volume.

In contrast, the bank displayed a stronger performance in small business lending, with 73.0% (2,171 loans) of small business loans by number and 63.9% by dollar volume made in the assessment area during the evaluation period. This performance was due, in part, to the bank’s volume of PPP lending. PPP loans provided a direct benefit to small businesses adversely affected by the COVID-19 pandemic and were considered particularly responsive to the acute credit needs of small businesses. Peapack’s ability to originate these loans within the assessment area is also noted in their performance.

The bank's lending inside and outside of the assessment area is summarized in the following table.

<b>MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA)</b>								
<b>Lending Inside and Outside the Assessment Area</b>								
<b>January 1, 2020 to December 31, 2022</b>								
<b>Loan Types</b>	<b>Inside</b>				<b>Outside</b>			
	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Home Improvement	22	100.0	4,530	100.0	0	0	0	0
Home Purchase	451	71.4	161,861	64.5	181	28.6	89,253	35.5
Loan Purpose Not Applicable	1	100.0	136	100.0	0	0	0	0
Multifamily Housing	58	24.8	331,786	25.1	176	75.2	989,383	74.9
Refinancing	646	67.9	236,794	61.6	305	32.1	147,679	38.4
<b>Total HMDA</b>	<b>1,178</b>	<b>64.0</b>	<b>735,107</b>	<b>37.5</b>	<b>662</b>	<b>36.0</b>	<b>1,226,315</b>	<b>62.5</b>
<b>Total Small Business</b>	<b>2,171</b>	<b>73.0</b>	<b>315,450</b>	<b>63.9</b>	<b>803</b>	<b>27.0</b>	<b>178,103</b>	<b>36.1</b>
<b>TOTAL LOANS</b>	<b>3,349</b>	<b>69.6</b>	<b>1,050,557</b>	<b>42.8</b>	<b>1,465</b>	<b>30.4</b>	<b>1,404,418</b>	<b>57.2</b>

### Geographic Distribution

Peapack's geographic distribution of home mortgage and small business loans reflected good penetration throughout the assessment area. Lending penetration in LMI tracts was good for home purchase, good for refinance, good for multifamily, and adequate for small business.

### Gap Analysis

Peapack demonstrated a low level of dispersion in LMI census tracts in this assessment area. However, this can be attributed to factors that include the high degree of competition for financial services and loans in the assessment area, as well as the high cost of housing. Despite these challenges, the bank's performance improved since the prior evaluation. The bank's performance in low-income census tracts in 2019 was 20.6%, compared to 2022, when the bank's performance was 24.0%. The bank's performance, over the same time period, was consistent for moderate-income census tracts. The bank's penetration level in moderate-income census tracts for 2019 was 19.9%, and in 2022, results were slightly less at 19.6%. Refer to the table below for more details.



<b>MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA)</b>			
<b>Lending Gap Analysis</b>			
<b>January 1, 2020 - December 31, 2022</b>			
<b>Tract Income Levels</b>	<b>Number of Tracts</b>	<b>Tracts with no Loans</b>	<b>% Penetration</b>
<b>2020</b>			
Low	131	86	34.4
Moderate	176	110	37.5
Middle	254	119	53.1
Upper	287	63	78.0
Income Unknown	5	4	20.0
<b>2021</b>			
Low	131	100	23.7
Moderate	176	138	21.6
Middle	254	173	31.9
Upper	287	133	53.7
Income Unknown	5	5	0
<b>2022</b>			
Low	129	98	24.0
Moderate	204	164	19.6
Middle	246	193	21.5
Upper	328	225	31.4
Income Unknown	13	12	7.7

### Home Purchase Loans

The geographic distribution of home purchase loans reflected good penetration throughout the assessment area.

In 2022, the bank made 18.3% by number and 21.4% by dollar of home purchase loans in low-income census tracts. Home purchase lending performance in low-income census tracts was significantly above the 4.6% of owner-occupied housing units located in low-income census tracts and significantly above the aggregate, which made 6.6% by number and 5.6% by dollar in low-income census tracts. The bank's performance in 2021 and 2020 was comparable to performance in 2022.

In 2022, the bank made 16.3% of home purchase loans by number and 17.4% by dollar in moderate-income census tracts. The bank's home purchase lending performance was above the 14.3% of owner-occupied housing units located in moderate-income census tracts and was similar to the aggregate, which made 16.2% by number and 13.0% by dollar of home purchase loans in moderate-income census tracts. The bank's performance in 2021 and 2020 was comparable to performance in 2022.

### Home Refinance Loans

The geographic distribution of refinance loans reflected good penetration throughout the assessment area.

In 2022, the bank made 17.6% by number and 13.0% by dollar of refinance loans in low-income census tracts. The bank's refinance lending performance in low-income census tracts was significantly above the 4.6% of owner-occupied housing units located in low-income census tracts and significantly above the

aggregate, which made 7.5% by number and 6.7% by dollar of refinance loans in low-income census tracts. The bank's performance in 2021 and 2020 was comparable to performance in 2022.

In 2022, the bank made 12.9% by number and 11.5% by dollar of refinance loans in moderate-income census tracts. Peapack's refinance lending performance in moderate-income census tracts was similar to the 14.3% of owner-occupied housing units located in moderate-income census tracts and below the aggregate, which made 17.6% by number and 15.0% by dollar of refinance loans in moderate-income census tracts. The bank's performance in 2021 and 2020 was comparable to performance in 2022.

### **Multifamily Loans**

The geographic distribution of multifamily loans reflected good penetration throughout the assessment area.

In 2022, the bank made 14.3% by number and 32.6% by dollar of multifamily loans in low-income census tracts. The bank's multifamily lending performance in low-income census tracts was slightly below the 18.0% of multifamily housing units located in low-income census tracts. The bank's performance was also below the aggregate, which made 25.4% by number and 19.3% by dollar of multifamily loans in low-income census tracts. The bank's performance in 2021 and 2020 was better than performance in 2022 in low-income geographies.

In 2022, the bank made 38.1% by number and 30.0% by dollar of multifamily loans in moderate-income census tracts. Peapack's multifamily lending performance in moderate-income census tracts was above the 26.0% of multifamily housing units located in moderate-income census tracts. However, the bank's performance was similar to the aggregate, which made 38.7% by number and 30.4% by dollar of multifamily loans in moderate-income census tracts. The bank's performance in 2021 and 2020 was comparable to performance in 2022.

### **Small Business Loans**

The geographic distribution of small business loans reflected adequate penetration throughout the assessment area.

In 2022, the bank made 0.8% by number and 0.6% by dollar of small business loans in low-income census tracts. The bank's small business lending performance in low-income census tracts was significantly below the 9.3% of businesses located in low-income census tracts and significantly below the aggregate, which made 9.0% by number and 7.7% by dollar of small business loans in low-income census tracts. The bank's performance in 2021 and 2020 was comparable to performance in 2022.

In 2022, the bank made 11.9% by number and 13.9% by dollar of small business loans in moderate-income census tracts. Peapack's small business lending performance in moderate-income census tracts was below the 16.1% of businesses located in moderate-income census tracts and below the aggregate, which made 17.0% by number and 14.5% by dollar of small business loans in moderate-income census tracts. The bank's performance in 2021 and 2020 was comparable to performance in 2022.

### **Borrower Profile**

The distribution of borrowers reflected, given the product lines offered by the bank, adequate penetration among retail customers of different income levels and among business customers of different sizes. Overall, when considering all products and all years of evaluation, home mortgage lending to LMI borrowers was good. While lending to businesses with GARs of \$1 million or less was very poor, some of this could be

attributable to the lack of income required for PPP lending originated by bank, which was notable during the review period as described further in this section.

### **Home Purchase Loans**

The distribution of borrowers reflected, given the product lines offered, excellent penetration among LMI customers for home purchase lending.

In 2022, the bank made 19.6% by number and 7.8% by dollar to low-income borrowers and was slightly below the 23.4% of low-income families in the assessment area. Performance was significantly above aggregate lending, which made 3.3% by number and 1.5% by dollar to low-income families. The bank's performance in 2021 and 2020 was comparable to performance in 2022.

In 2022, the bank's lending to moderate-income borrowers was 28.8% by number and 25.9% by dollar, which was significantly above the aggregate performance of 15.8% by number and 10.3% by dollar, and significantly above the 16.2% moderate-income families in the assessment area. The bank's performance in 2021 and 2020 was comparable to performance in 2022.

### **Home Refinance Loans**

The distribution of borrowers reflected, given the product lines offered, very poor penetration among low-income customers and adequate penetration among moderate-income customers for refinance lending.

In 2022, the bank's lending to low-income borrowers was 2.4% by number and 1.0% by dollar and was significantly below the aggregate lending data, at 7.2% by number and 4.3% by dollar. The bank's performance was significantly below the 23.4% of low-income families in the assessment area. Additionally, in 2022, the bank's lending to moderate-income borrowers, at 22.4% by number and 15.3% by dollar, was slightly above the aggregate lending data at 19.8% by number, similar to 14.4% by dollar, and above the 16.2% moderate-income families in the assessment area.

However, in 2021, the distribution of borrowers reflected, given the product lines offered, adequate penetration among low-income customers and excellent penetration among moderate-income customers for refinance lending. In 2021, the bank's lending to low-income borrowers was 2.3% by number and 0.8% by dollar and was slightly below the aggregate lending data, at 3.0% by number and 1.6% by dollar. The bank's performance was significantly below the 23.7% of low-income families in the assessment area.

Further, in 2021, the bank's lending to moderate-income borrowers, at 17.8% by number and 12.1% by dollar, was above the aggregate lending data at 12.4% by number, above 8.3% by dollar, and slightly above the 15.8% moderate-income families in the assessment area. Peapack's performance in 2020 was comparable to performance in 2021.

### **Small Business Loans**

The distribution of borrowers reflected, given the product lines offered, very poor penetration among customers for small business lending.

In 2022, the bank originated 16.1% of loans by number and 15.8% by dollar to businesses with GARs of \$1 million or less. The bank's lending to small businesses was significantly below the aggregate lending data, at 50.9% by number and 31.9% by dollar, in addition to being significantly below the 90.2% percentage of businesses in the assessment area with GARs of \$1 million or less. The bank also originated 21.2% of loans to assessment area businesses in amounts of \$100,000 or less, which are typically considered

more responsive to the credit needs of very small businesses. The bank's performance in 2021 and 2020 was comparable to performance in 2022 in LMI census tracts.

However, since the PPP did not require lenders to collect business revenue information, a large majority of the bank's small business loans do not include revenue information, which skews the distribution of small business loans by borrower GAR. When excluding loans from the "Revenue Unknown" category, the bank made:

- 26 out of 75 loans, or 34.6%, to businesses with GARs of \$1.0 million or less in 2020 (which is in line with aggregate at 38.2%), and
- 24 out of 82 loans, or 29.2%, to businesses with GARs of \$1.0 million or less in 2021 (which is below aggregate at 42.4%).

Overall, while in line or below aggregate performance, these trends compare more favorably to demographic benchmarks and support the bank's performance. During the COVID-19 pandemic, the primary need for businesses in the assessment area was PPP funding. This strengthened the bank's overall lending performance rating, despite being below peer and demographic data in this component of the lending test.

### **Responsiveness to Credit Needs Highly Economically Disadvantaged Geographies and to Low-Income Persons and Small Business**

The bank exhibited a good record of serving the credit needs of the most economically disadvantaged areas of its assessment area, low-income individuals, and/or very small businesses, consistent with safe and sound banking practices. The bank responded quickly to the acute needs small businesses faced during the COVID-19 pandemic. In an especially difficult time for bank employees to work, the bank put processes in place to respond quickly to the significant small business need of capital to sustain operations and pay employees.

### **Community Development Lending Activity**

Peapack was a leader in making community development loans. The bank originated 180 qualified community development loans totaling \$915.7 million during the evaluation period. This level of activity represented 17.6% of total loans and 14.1% of total assets. Community development loans primarily supported efforts to support affordable housing, a need expressed by the community contact. Since the bank met the needs of its assessment area, 146 loans, totaling approximately \$755.4 million that benefited the BSRA, also qualified for community development credit.

In addition, in accordance with CA Letter 21-5, PPP loans greater than \$1 million may be considered as community development loans if they also have a primary purpose of community development as defined under the CRA. During the evaluation period, the bank demonstrated leadership in serving assessment area during a period of immediate credit needs attributable to the COVID-19 pandemic. Peapack originated 127 PPP loans greater than \$1 million totaling \$626.2 million during the evaluation period. Of the total number of PPP loans greater than \$1 million, 25 (19.7%), were originated inside the bank's assessment area.

The following table reflects the bank's community development loans by year and purpose.

MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA)										
Community Development Lending										
January 1, 2021 to December 31, 2023										
Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2021	15	67,000	1	1,250	1	100	1	1,450	18	69,800
2022	9	66,675	0	0	0	0	3	8,500	12	75,175
2023	3	11,050	0	0	1	4,250	0	0	4	15,300
BSRA	110	526,119	23	178,231	0	0	13	51,090	146	755,440
<b>Total</b>	<b>137</b>	<b>670,844</b>	<b>24</b>	<b>179,481</b>	<b>2</b>	<b>4,350</b>	<b>17</b>	<b>61,040</b>	<b>180</b>	<b>915,715</b>

The following are examples of the bank’s community development loans:

- In 2021, the bank provided a \$1.3 million loan to a non-profit organization to purchase a soup kitchen and outreach center located in a low-income census tract. The soup kitchen provided meals free of charge to those in need. This loan supported community services for LMI families in the assessment area.
- In 2022, the bank provided a \$23.7 million loan for the acquisition of a 200-bed nursing facility located in a moderate-income census tract that supported community services to LMI individuals, the majority of which received Medicaid.
- In 2022, the bank provided a \$6.1 million loan for the acquisition of an apartment building located in a moderate-income census tract. The 73-unit apartment building had rents below the HUD Fair Market Rent for Union County. The loan supported the need for affordable housing in the assessment area.

### Innovative and/or Flexible Lending Practices

Peapack made extensive use of innovative and/or flexible lending practices in serving assessment area credit needs. The following are examples that support the bank’s responsiveness to specific community needs.

- An *Affordable Housing Loan Program* for income-eligible borrowers buying homes in eligible LMI census tracts. The bank originated 90 loans between 2021 and 2022.
- A *No Mortgage Insurance Loan Program* for income-eligible borrowers buying homes in eligible LMI census tracts; The bank originated 165 loans between 2020 and 2022.
- The bank participated in the Federal Home Loan Bank’s *Homebuyer Dream Program* that offered eligible borrowers the ability to apply housing grants. The bank originated 15 loans between 2020 and 2022.
- An affordable housing loan program in partnership with *Habitat for Humanity*. Peapack is on the Raritan Valley Habitat for Humanity Approved Lenders’ List, and the bank offers various affordable housing programs to their clients. The bank originated 2 loans between 2020 and 2022.

- *Small Business Administration (SBA) 7(a) loans* offered small business working capital for a variety of needs. The bank originated 88 *SBA 7(a)* loans during the review period. The bank is an SBA Preferred Lender.
- Peapack offered PPP loans which provided funding for small businesses to keep their workers on the payroll during the COVID-19 pandemic. The bank originated 2,585 PPP loans between 2020 and 2021.

## **INVESTMENT TEST**

Peapack's performance under the Investment Test is rated High Satisfactory. The bank had a significant level of qualified community development investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors. The bank occasionally used innovative and/or complex investments to support community development initiatives. The bank exhibited good responsiveness to credit and community economic development needs.

### **Investment and Grant Activity**

During the evaluation period, the bank reported 115 qualified investments and grants totaling \$52.9 million, which included 13 prior period investments with a current balance of \$11.2 million, 3 investments for \$13.0 million that benefited the BSRA, 3 investments made inside the assessment area totaling \$28.5 million, and 96 grants totaling \$259 thousand.

The investment level represented annualized performance over 36 months of 6.3 investments by number and \$17.6 million by dollar volume. Compared to the previous evaluation, where the bank had an annualized performance over 45 months of 6.4 investments, totaling \$13.0 million, this represented an annualized performance increase of 35.4% by dollar volume, with the number of investments remaining consistent. Additionally, when compared to five other similarly situated institutions, Peapack ranked 2<sup>nd</sup> in the dollar amount of investments made on an annualized basis.

The level of grants represented an annualized performance over 36 months of 32 grants by number and \$86,333 by dollar volume. Compared to the previous evaluation, where the bank had an annualized performance over 45 months of 54.7 grants totaling \$137,867, this represented an annualized performance decrease of 41.5% by number and 37.4% decrease by dollar volume.

The institution's qualified investments and grants by year and purpose are summarized in the table below.

<b>MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA)</b>										
<b>Qualified Investments and Grants</b>										
<b>January 1, 2021 to December 31, 2023</b>										
<b>Year</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Revitalize or Stabilize</b>		<b>Totals</b>	
	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>	<b>#</b>	<b>\$(000s)</b>
Prior Period	13	11,193	0	0	0	0	0	0	13	11,193
2021	1	15,000	0	0	0	0	0	0	1	15,000
2022	0	0	0	0	0	0	0	0	0	0
2023	2	13,465	0	0	0	0	0	0	2	13,465
BSRA	0	0	0	0	3	13,000	0	0	3	13,000
<b>Total Investments</b>	<b>16</b>	<b>39,658</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>13,000</b>	<b>0</b>	<b>0</b>	<b>19</b>	<b>52,658</b>
<b>Total Grants</b>	<b>22</b>	<b>54</b>	<b>69</b>	<b>189</b>	<b>4</b>	<b>13</b>	<b>1</b>	<b>3</b>	<b>96</b>	<b>259</b>
<b>Grand Total</b>	<b>38</b>	<b>39,712</b>	<b>69</b>	<b>189</b>	<b>7</b>	<b>13,013</b>	<b>1</b>	<b>3</b>	<b>115</b>	<b>52,917</b>

*Source: Bank Data*

The following are examples of community development investments and grants that benefited this assessment area:

- In 2023, the bank made a \$11.9 million investment into a multifamily property located in a moderate-income tract in which the majority of rents are below fair market rent.
- Throughout the evaluation period, the bank made 4 donations totaling \$6,000 to various Habitat for Humanity chapters. The purpose of this organization is to construct affordable housing for income-qualified individuals and families.

### **Responsiveness to Credit and Community Development Needs**

Peapack’s qualified investments and donations exhibited good responsiveness to the credit and community development needs of the assessment area. Of the total dollar amount of qualified investments and donations, 75.1% benefited efforts to create affordable housing. These investments and grants demonstrated the bank’s responsiveness to the assessment area’s affordable housing needs.

### **Community Development Initiatives**

The bank made occasional use of innovative and/or complex investments to support community development initiatives. Peapack investments supported the creation and preservation of affordable housing for LMI individuals throughout the assessment area, a need expressed by the community contact. However, while responsive, a majority of these investments were comprised of mortgage-backed securities, which are not considered particularly innovative or complex.

### **SERVICE TEST**

Peapack’s performance under the Service Test is rated High Satisfactory. Delivery systems were accessible to essentially all portions of the bank’s assessment area. To the extent changes have been made, Peapack’s opening and closing branches did not adversely affect the accessibility of delivery systems, particularly to LMI geographies and/or to LMI individuals. Services, including business hours, did not vary in a way that

inconvenienced certain portions of the assessment area, particularly LMI geographies and/or individuals. Peapack provided a relatively high level of community development services.

**Retail Services**

**Accessibility of Delivery Systems**

Delivery systems were accessible to essentially all portions of the bank’s assessment area. Peapack operated 16 full-service branches in its assessment area, all of which maintained a 24-hour ATM. While the bank maintains an additional limited-service mobile branch, it was not in operation during this evaluation period. Three branches offered drive-up ATMs. All full-service branches offer these extended hours. The bank operated two additional stand-alone cash only ATMs. In addition, Peapack was a member of the Allpoint ATM network with surcharge free access to through 55,000 ATMS nationwide. The bank operated one full-service branch in a moderate-income census tract, which offered extended hours on Thursdays until 6pm and Saturday hours from 9:00am-12:00pm. This branch was also adjacent to four additional LMI census tracts. In addition, Peapack’s branch located in Bridgewater, NJ was approximately 1.5 miles driving distance from one moderate-income census tract. The bank’s branch in Warren, NJ was approximately 5 miles driving distance from 16 LMI census tracts, and the branch in Hillsborough, NJ was approximately 5 miles driving distance from 5 moderate-income census tracts thereby providing access to LMI individuals and families residing in these areas. While having only one branch located directly in an LMI census tract, Peapack’s lending levels exhibited a good record of serving the credit needs of the LMI individuals in its assessment area.

In addition to the physical access to branches and ATMs, the bank offered other alternative delivery systems in its assessment area that improved accessibility for its products and services for all geographies, including LMI areas. These delivery systems included online banking, mobile banking, and telephone banking.

<b>Branch and ATM Distribution by Tract Income Level</b>								
<b>As of December 31, 2022</b>								
<b>Tract Income Level</b>	<b>Census Tracts</b>		<b>Families</b>		<b>Branches</b>		<b>ATMs</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
Low	129	14.0	104,588	11.0	0	0	0	0
Moderate	204	22.2	195,196	20.6	1	6.3	1	6.3
Middle	246	26.7	265,361	28.0	2	12.5	2	12.5
Upper	328	35.7	378,904	40.0	13	81.3	18	85.7
Unknown	13	1.4	3,413	0.4	0	0	0	0
<b>Total</b>	<b>920</b>	<b>100.0</b>	<b>947,462</b>	<b>100.0</b>	<b>16</b>	<b>100.0</b>	<b>21</b>	<b>100.0</b>

*Source: 2020 U.S. Census data; Bank data*

**Changes in Branch Locations**

To the extent changes were made, the bank’s opening and closing of branches did not adversely affect the accessibility of its delivery systems, particularly to LMI geographies and/or to LMI individuals. Although the bank closed four branches during the evaluation period, all were located in upper-income census tracts.



**Reasonableness of Business Hours and Services**

Services, including business hours, did not vary in a way that inconvenienced certain portions of the assessment area, particularly LMI geographies and/or LMI individuals. Peapack’s service hours and its loan and deposit products were offered at all branches throughout the assessment area. The bank also offered a New Jersey Consumer Checking account product. This low-cost checking account required a daily minimum balance of \$1.00.

**Community Development Services**

Peapack provided a relatively high level of community development services. The number of service events increased by 17 instances since the prior evaluation, which represented a 71.7% increase on an annualized basis.

The bank’s community development services by year and purpose are summarized in the table below.

<b>MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA)</b>					
<b>Community Development Services</b>					
<b>January 1, 2021 to December 31, 2023</b>					
<b>Year</b>	<b>Affordable Housing</b>	<b>Community Services</b>	<b>Economic Development</b>	<b>Revitalize or Stabilize</b>	<b>Totals</b>
	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>	<b>#</b>
2021	3	22	3	0	<b>28</b>
2022	5	19	5	0	<b>29</b>
2023	1	4	0	0	<b>5</b>
<b>Total</b>	<b>9</b>	<b>45</b>	<b>8</b>	<b>0</b>	<b>62</b>
<i>Source: Bank Data</i>					

The following are examples of community development services that benefited the assessment area:

- A bank employee conducted a Homebuyer Workshop, which educated low-income families about the purchase of an affordable home. The workshop presented comprehensive instruction on building credit, interest rates, and appraisals.
- A bank employee served on the board of a nonprofit organization whose mission is to empower those who are homeless and those at risk of homelessness in Morris County. Through comprehensive support, including shelter, affordable housing, and a range of services, the organization collaborates with LMI individuals and families who are committed to achieving self-sustainability.

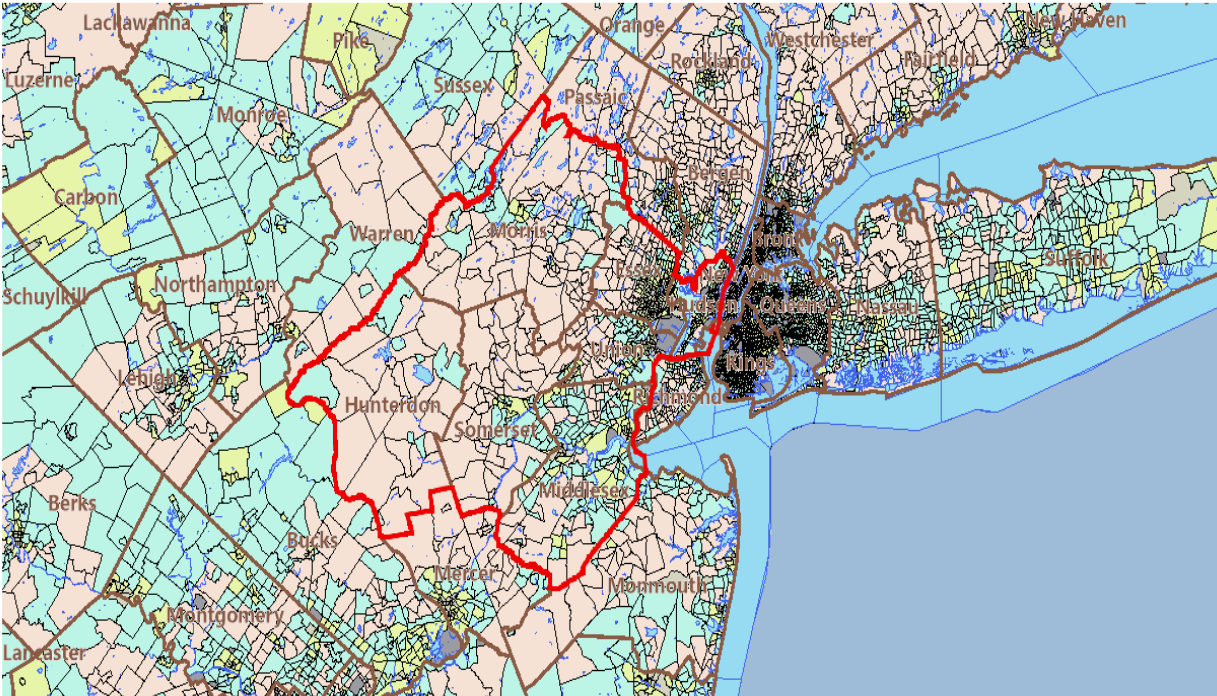
**FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

Peapack was in compliance with the substantive provisions or the anti-discrimination laws and regulations. No evidence of discriminatory or other illegal credit practices was identified as being inconsistent with helping to meet the credit needs of the assessment area.

### APPENDIX A- ASSESSMENT AREA MAPS

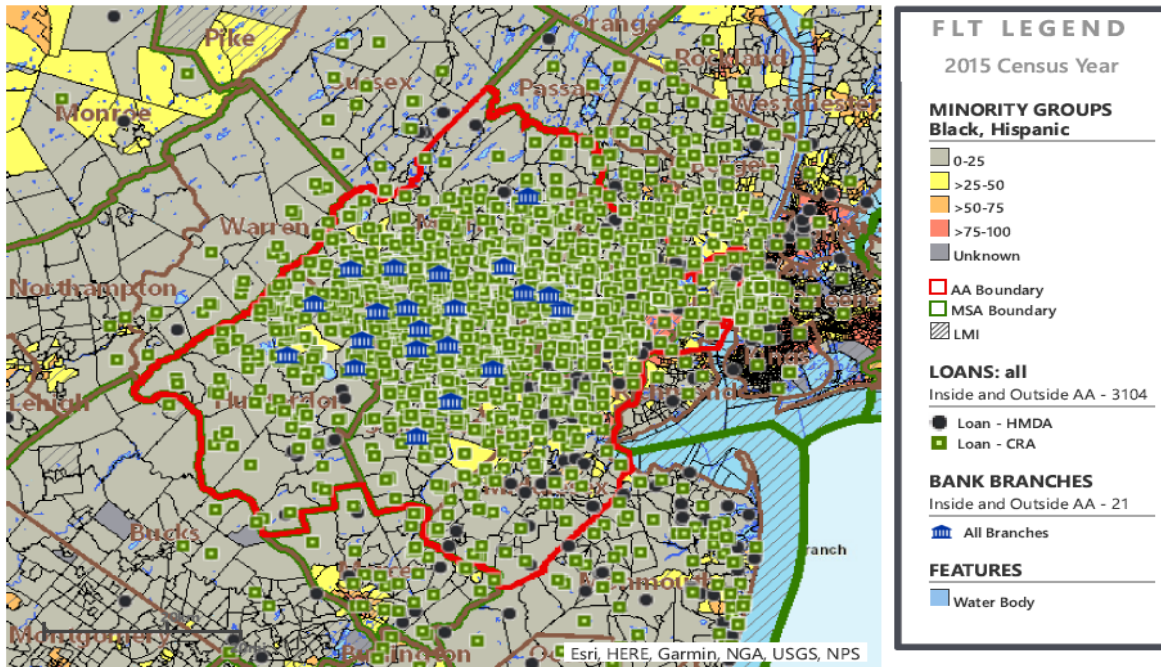
#### Peapack Assessment Area

MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA)



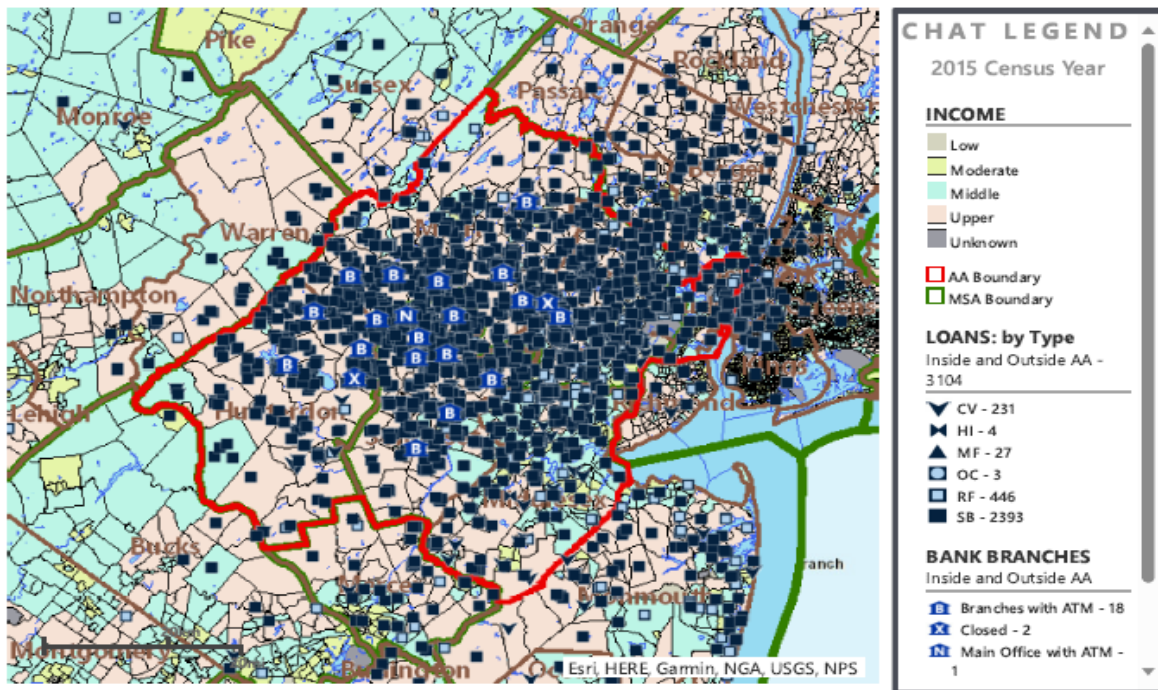
MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA)

HMDA and CRA Originations in 2020



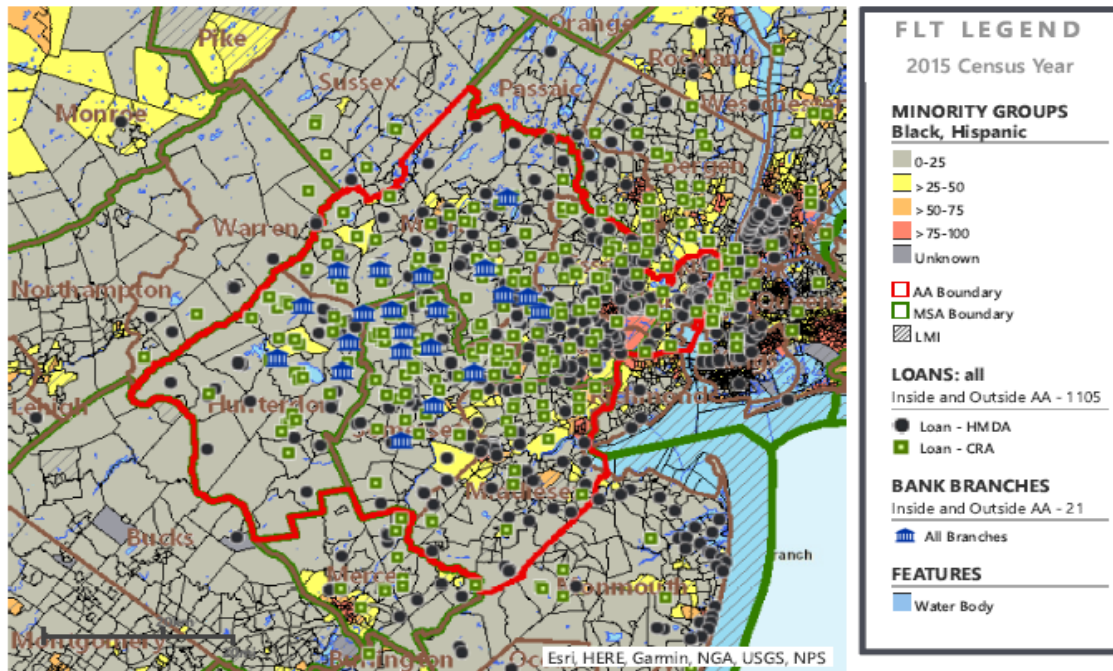
MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA)

HMDA Originations and Purchases and CRA Small Business Originations in 2020



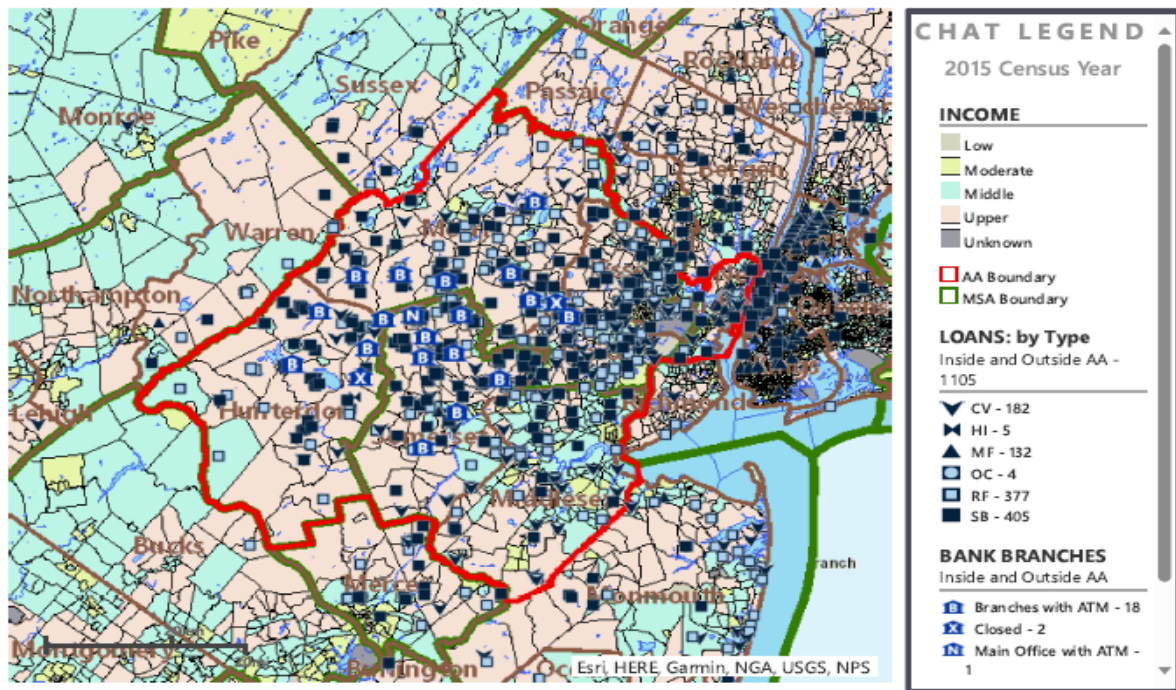


**MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA)**  
**HMDA and CRA Originations in 2021**



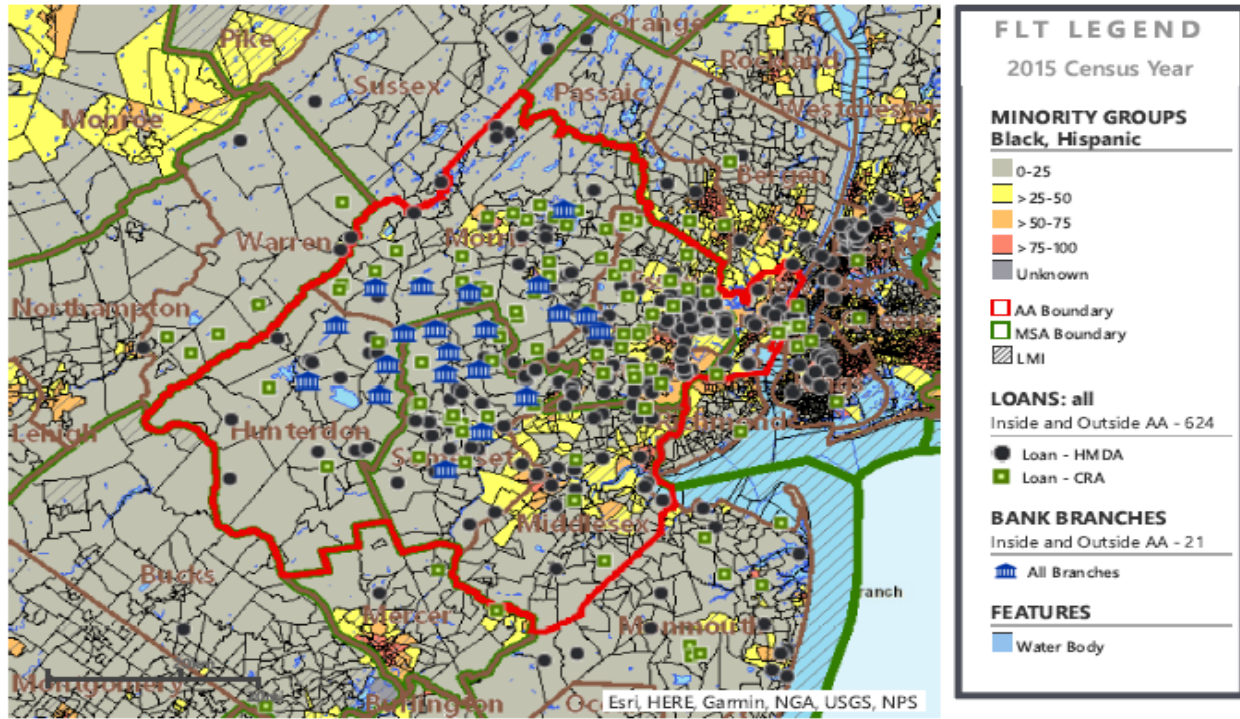
**MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA)**

**HMDA Originations and Purchases and CRA Small Business Originations in 2021**



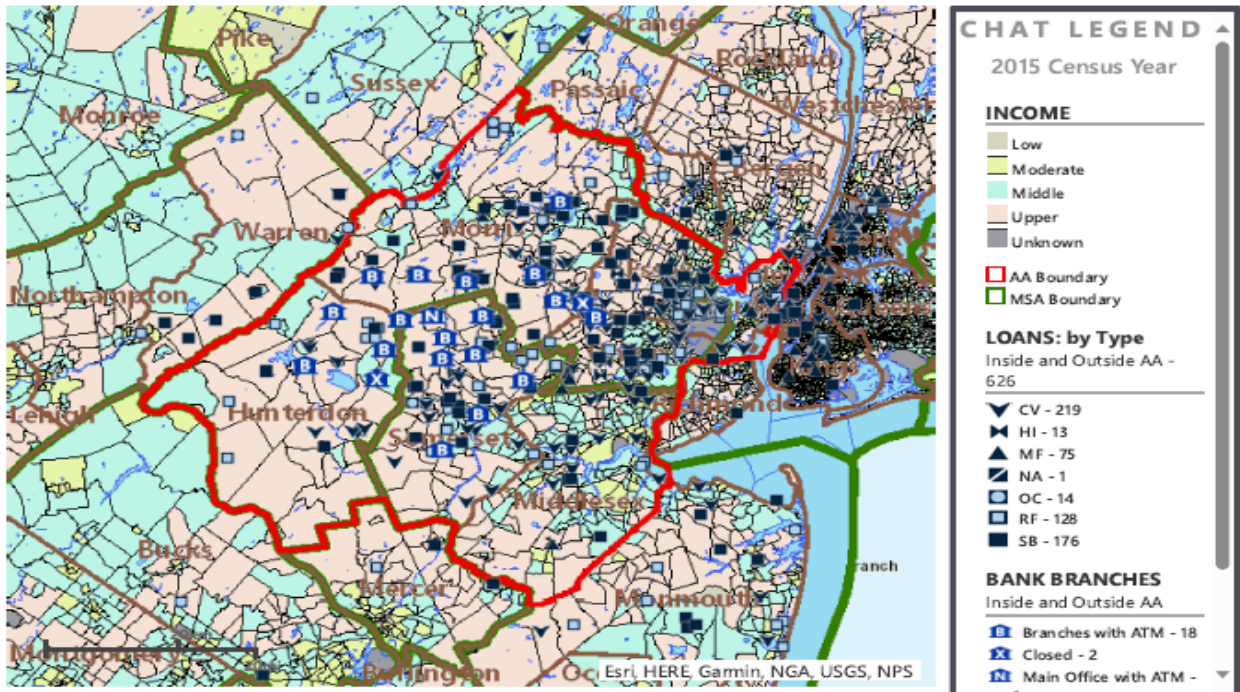
MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA)

HMDA and CRA Originations in 2022



MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA)

HMDA Originations and Purchases and CRA Small Business Originations in 2022





**APPENDIX B - HMDA & SMALL BUSINESS DISTRIBUTION REPORTS**

**Home Mortgage Lending by Income Level of Geography**

Distribution of 2021 and 2022 Home Mortgage Lending By Income Level of Geography													
Assessment Area: MSA 35620 (NYC-Newark-Jersey City, NY-NJ-PA)													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2021						2022						
	Bank		Agg		Bank		Agg		Bank		Agg		
	#	%	%	\$(000)	\$%	\$%	#	%	%	\$(000)	\$%	\$%	
<b>Home Purchase Loans</b>													
Low	9	7.2	6.3	3,315	6.9	5.1	28	18.3	6.6	12,296	21.4	5.6	4.6
Moderate	17	13.6	14.3	6,400	13.3	11.6	25	16.3	16.2	10,003	17.4	13.0	14.3
Middle	31	24.8	32.1	10,186	21.2	26.4	31	20.3	29.1	10,580	18.5	23.8	30.4
Upper	68	54.4	47.2	28,047	58.5	56.9	69	45.1	48.0	24,452	42.7	57.6	50.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.2	0	0.0	0.1	0.1
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>125</b>	<b>100.0</b>	<b>100.0</b>	<b>47,948</b>	<b>100.0</b>	<b>100.0</b>	<b>153</b>	<b>100.0</b>	<b>100.0</b>	<b>57,331</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Refinance Loans</b>													
Low	18	7.0	4.1	6,570	6.8	3.3	15	17.6	7.5	4,353	13.0	6.7	4.6
Moderate	16	6.2	11.0	4,562	4.7	8.7	11	12.9	17.6	3,850	11.5	15.0	14.3
Middle	53	20.5	30.3	14,885	15.5	24.5	13	15.3	29.6	3,476	10.4	24.8	30.4
Upper	171	66.3	54.5	70,091	72.9	63.4	46	54.1	45.1	21,905	65.2	53.4	50.7
Unknown	0	0.0	0.1	0	0.0	0.1	0	0.0	0.2	0	0.0	0.2	0.1
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>258</b>	<b>100.0</b>	<b>100.0</b>	<b>96,108</b>	<b>100.0</b>	<b>100.0</b>	<b>85</b>	<b>100.0</b>	<b>100.0</b>	<b>33,584</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Home Improvement Loans</b>													
Low	0	0.0	2.1	0	0.0	2.0	2	15.4	2.6	730	21.2	2.0	4.6
Moderate	0	0.0	7.5	0	0.0	5.9	1	7.7	9.1	50	1.5	6.6	14.3
Middle	1	20.0	25.6	25	2.8	20.5	1	7.7	25.8	35	1.0	20.4	30.4
Upper	4	80.0	64.9	865	97.2	71.5	9	69.2	62.5	2,630	76.3	71.0	50.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0.1
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>5</b>	<b>100.0</b>	<b>100.0</b>	<b>890</b>	<b>100.0</b>	<b>100.0</b>	<b>13</b>	<b>100.0</b>	<b>100.0</b>	<b>3,445</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Multifamily Loans</b>													Multi-family Units %
Low	11	33.3	30.0	45,000	24.3	19.8	3	14.3	25.4	43,430	32.6	19.3	
Moderate	8	24.2	31.8	43,325	23.4	17.3	8	38.1	38.7	40,055	30.0	30.4	26.0
Middle	5	15.2	23.0	30,800	16.6	29.9	5	23.8	20.0	11,475	8.6	23.1	25.9
Upper	9	27.3	15.1	66,372	35.8	33.0	5	23.8	14.7	38,445	28.8	26.6	29.4
Unknown	0	0.0	0.1	0	0.0	0.0	0	0.0	1.3	0	0.0	0.6	0.7
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>33</b>	<b>100.0</b>	<b>100.0</b>	<b>185,497</b>	<b>100.0</b>	<b>100.0</b>	<b>21</b>	<b>100.0</b>	<b>100.0</b>	<b>133,405</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Home Mortgage Loans</b>													Owner Occupied Units %
Low	38	9.0	5.0	54,885	16.6	5.4	48	17.6	6.6	60,809	26.7	7.5	
Moderate	41	9.7	12.2	54,287	16.4	10.5	45	16.5	15.9	53,958	23.7	15.5	14.3
Middle	90	21.4	30.7	55,896	16.9	25.6	51	18.7	28.8	25,702	11.3	23.8	30.4
Upper	252	59.9	52.0	165,375	50.0	58.4	129	47.3	48.5	87,432	38.4	53.1	50.7
Unknown	0	0.0	0.0	0	0.0	0.0	0	0.0	0.2	0	0.0	0.2	0.1
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>421</b>	<b>100.0</b>	<b>100.0</b>	<b>330,443</b>	<b>100.0</b>	<b>100.0</b>	<b>273</b>	<b>100.0</b>	<b>100.0</b>	<b>227,901</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: 2022 FFIEC Census Data; 2020 U.S. Census

Note: Percentages may not total 100.0% due to rounding.

<b>Distribution of 2020 Home Mortgage Lending By Income Level of Geography</b>							
<b>Assessment Area: MSA 35620 (NYC-Newark-Jersey City, NY-NJ-PA)</b>							
Geographic Income Level	Bank And Aggregate Loans						Owner Occupied Units %
	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	%	\$%	
<b>Home Purchase Loans</b>							
Low	19	11.0	5.8	6,465	11.4	4.6	4.2
Moderate	16	9.2	13.8	4,368	7.7	10.9	12.8
Middle	48	27.7	31.3	11,233	19.9	25.5	33.1
Upper	90	52.0	49.0	34,516	61.0	58.9	49.9
Unknown	0	0.0	0.0	0	0.0	0.1	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>173</b>	<b>100.0</b>	<b>100.0</b>	<b>56,582</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Refinance Loans</b>							
Low	17	5.6	2.9	5,726	5.3	2.2	4.2
Moderate	29	9.6	9.1	8,812	8.2	7.1	12.8
Middle	56	18.5	28.7	14,694	13.7	23.3	33.1
Upper	201	66.3	59.3	77,870	72.7	67.3	49.9
Unknown	0	0.0	0.0	0	0.0	0.1	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>303</b>	<b>100.0</b>	<b>100.0</b>	<b>107,102</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Home Improvement Loans</b>							
Low	0	0.0	2.2	0	0.0	1.8	4.2
Moderate	0	0.0	7.5	0	0.0	5.9	12.8
Middle	0	0.0	25.8	0	0.0	21.7	33.1
Upper	4	100.0	64.5	195	100.0	70.5	49.9
Unknown	0	0.0	0.0	0	0.0	0.1	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>4</b>	<b>100.0</b>	<b>100.0</b>	<b>195</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Multifamily Loans</b>							
Low	1	25.0	24.7	7,000	54.3	14.3	20.1
Moderate	1	25.0	36.5	1,500	11.6	26.9	24.3
Middle	1	25.0	22.6	4,000	31.0	31.0	29.3
Upper	1	25.0	15.7	384	3.0	27.2	26.2
Unknown	0	0.0	0.4	0	0.0	0.6	0.1
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>4</b>	<b>100.0</b>	<b>100.0</b>	<b>12,884</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Total Home Mortgage Loans</b>							
Low	37	7.6	4.1	19,191	10.9	3.8	4.2
Moderate	46	9.5	10.9	14,680	8.3	9.7	12.8
Middle	105	21.7	29.6	29,927	16.9	24.7	33.1
Upper	296	61.2	55.3	112,965	63.9	61.7	49.9
Unknown	0	0.0	0.1	0	0.0	0.1	0.0
Tract-Unk	0	0.0	0.0	0	0.0	0.0	
<b>Total</b>	<b>484</b>	<b>100.0</b>	<b>100.0</b>	<b>176,763</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: 2020 FFIEC Census Data; 2015 ACS

Note: Percentages may not total 100.0% due to rounding.

**Home Mortgage Lending by Borrower Income Level**

<b>Distribution of 2021 and 2022 Home Mortgage Lending By Borrower Income Level</b>													
<b>Assessment Area: MSA 35620 (NYC-Newark-Jersey City, NY-NJ-PA)</b>													
<b>Borrower Income Level</b>	<b>Bank And Aggregate Loans By Year</b>												<b>Families by Family Income %</b>
	<b>2021</b>						<b>2022</b>						
	<b>Bank</b>		<b>Agg</b>	<b>Bank</b>		<b>Agg</b>	<b>Bank</b>		<b>Agg</b>	<b>Bank</b>		<b>Agg</b>	
	<b>#</b>	<b>%</b>	<b>%</b>	<b>\$(000)</b>	<b>%</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>%</b>	<b>\$(000)</b>	<b>%</b>	<b>%</b>	
<b>Home Purchase Loans</b>													
<b>Low</b>	12	9.6	3.3	1,676	3.5	1.6	30	19.6	3.3	4,454	7.8	1.5	23.4
<b>Moderate</b>	22	17.6	17.0	6,040	12.6	11.6	44	28.8	15.8	14,856	25.9	10.3	16.2
<b>Middle</b>	24	19.2	22.4	10,029	20.9	19.2	34	22.2	22.3	14,647	25.5	18.6	18.4
<b>Upper</b>	56	44.8	41.7	26,357	55.0	52.9	28	18.3	41.8	17,851	31.1	53.2	42.0
<b>Unknown</b>	11	8.8	15.6	3,846	8.0	14.7	17	11.1	16.8	5,523	9.6	16.3	0.0
<b>Total</b>	125	100.0	100.0	47,948	100.0	100.0	153	100.0	100.0	57,331	100.0	100.0	100.0
<b>Refinance Loans</b>													
<b>Low</b>	6	2.3	3.0	759	0.8	1.6	2	2.4	7.2	324	1.0	4.3	23.4
<b>Moderate</b>	46	17.8	12.4	11,617	12.1	8.3	19	22.4	19.8	5,125	15.3	14.4	16.2
<b>Middle</b>	52	20.2	21.1	15,893	16.5	17.3	11	12.9	22.5	2,539	7.6	19.5	18.4
<b>Upper</b>	124	48.1	48.0	57,276	59.6	57.2	32	37.6	36.4	16,895	50.3	46.3	42.0
<b>Unknown</b>	30	11.6	15.5	10,563	11.0	15.6	21	24.7	14.2	8,701	25.9	15.5	0.0
<b>Total</b>	258	100.0	100.0	96,108	100.0	100.0	85	100.0	100.0	33,584	100.0	100.0	100.0
<b>Home Improvement Loans</b>													
<b>Low</b>	0	0.0	3.8	0	0.0	2.6	2	15.4	3.7	285	8.3	2.3	23.4
<b>Moderate</b>	2	40.0	10.4	50	5.6	7.3	2	15.4	12.5	145	4.2	8.2	16.2
<b>Middle</b>	0	0.0	19.4	0	0.0	15.4	0	0.0	21.9	0	0.0	16.5	18.4
<b>Upper</b>	2	40.0	63.2	540	60.7	70.5	9	69.2	58.5	3,015	87.5	69.3	42.0
<b>Unknown</b>	1	20.0	3.2	300	33.7	4.2	0	0.0	3.4	0	0.0	3.7	0.0
<b>Total</b>	5	100.0	100.0	890	100.0	100.0	13	100.0	100.0	3,445	100.0	100.0	100.0
<b>Total Home Mortgage Loans</b>													
<b>Low</b>	18	4.6	3.1	2,435	1.7	1.6	34	13.5	4.5	5,063	5.4	2.3	23.4
<b>Moderate</b>	70	18.0	13.9	17,707	12.2	9.6	65	25.8	16.4	20,126	21.3	11.1	16.2
<b>Middle</b>	76	19.6	21.3	25,922	17.9	18.0	45	17.9	22.0	17,186	18.2	18.6	18.4
<b>Upper</b>	182	46.9	46.1	84,173	58.1	55.4	69	27.4	41.8	37,761	40.0	52.0	42.0
<b>Unknown</b>	42	10.8	15.5	14,709	10.1	15.4	39	15.5	15.3	14,360	15.2	16.0	0.0
<b>Total</b>	388	100.0	100.0	144,946	100.0	100.0	252	100.0	100.0	94,496	100.0	100.0	100.0

Source: 2022 FFIEC Census Data; 2020 U.S. Census  
 Note: Percentages may not total 100.0% due to rounding.  
 Multifamily loans are not included in the borrower distribution analysis.



Distribution of 2020 Home Mortgage Lending By Borrower Income Level Assessment Area: MSA 35620 (NYC-Newark-Jersey City, NY-NJ-PA)							
Borrower Income Level	Bank And Aggregate Loans						Families by Family Income %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
<b>Home Purchase Loans</b>							
<b>Low</b>	21	12.1	3.9	2,527	4.5	1.8	23.7
<b>Moderate</b>	49	28.3	17.9	12,173	21.5	12.3	15.8
<b>Middle</b>	35	20.2	22.4	11,843	20.9	19.3	18.3
<b>Upper</b>	48	27.7	41.3	21,066	37.2	52.3	42.2
<b>Unknown</b>	20	11.6	14.5	8,973	15.9	14.3	0.0
<b>Total</b>	173	100.0	100.0	56,582	100.0	100.0	100.0
<b>Refinance Loans</b>							
<b>Low</b>	7	2.3	2.1	1,078	1.0	1.1	23.7
<b>Moderate</b>	29	9.6	10.0	6,578	6.1	6.5	15.8
<b>Middle</b>	74	24.4	19.7	21,590	20.2	16.1	18.3
<b>Upper</b>	167	55.1	51.9	68,788	64.2	60.1	42.2
<b>Unknown</b>	26	8.6	16.3	9,068	8.5	16.2	0.0
<b>Total</b>	303	100.0	100.0	107,102	100.0	100.0	100.0
<b>Home Improvement Loans</b>							
<b>Low</b>	0	0.0	4.0	0	0.0	2.6	23.7
<b>Moderate</b>	1	25.0	11.2	35	17.9	8.2	15.8
<b>Middle</b>	0	0.0	20.4	0	0.0	16.0	18.3
<b>Upper</b>	3	75.0	60.4	160	82.1	67.4	42.2
<b>Unknown</b>	0	0.0	4.0	0	0.0	5.8	0.0
<b>Total</b>	4	100.0	100.0	195	100.0	100.0	100.0
<b>Total Home Mortgage Loans</b>							
<b>Low</b>	28	5.8	2.7	3,605	2.2	1.3	23.7
<b>Moderate</b>	79	16.5	12.3	18,786	11.5	8.4	15.8
<b>Middle</b>	109	22.7	20.1	33,433	20.4	16.9	18.3
<b>Upper</b>	218	45.4	47.7	90,014	54.9	56.6	42.2
<b>Unknown</b>	46	9.6	17.2	18,041	11.0	16.7	0.0
<b>Total</b>	480	100.0	100.0	163,879	100.0	100.0	100.0
Source: 2020 FFIEC Census Data; 2015 ACS							
Note: Percentages may not total 100.0% due to rounding.							
Multifamily loans are not included in the borrower distribution analysis.							

**Small Business Lending by Income Level of Geography**

<b>Distribution of 2021 and 2022 Small Business Lending By Income Level of Geography</b>													
<b>Assessment Area: MSA 35620 (NYC-Newark-Jersey City, NY-NJ-PA)</b>													
<b>Geographic Income Level</b>	<b>Bank And Aggregate Loans By Year</b>												<b>Total Businesses %</b>
	<b>2021</b>						<b>2022</b>						
	<b>Bank</b>		<b>Agg</b>	<b>Bank</b>		<b>Agg</b>	<b>Bank</b>		<b>Agg</b>	<b>Bank</b>		<b>Agg</b>	
	<b>#</b>	<b>#%</b>	<b>#%</b>	<b>\$(000)</b>	<b>\$%</b>	<b>\$%</b>	<b>#</b>	<b>#%</b>	<b>#%</b>	<b>\$(000)</b>	<b>\$%</b>	<b>\$%</b>	
<b>Low</b>	6	2.5	8.9	1,267	2.4	7.8	1	0.8	9.0	300	0.6	7.7	9.3
<b>Moderate</b>	16	6.6	15.0	4,935	9.3	12.2	14	11.9	17.0	6,500	13.9	14.5	16.1
<b>Middle</b>	38	15.6	29.6	9,265	17.4	30.9	27	22.9	28.9	10,176	21.7	31.8	28.4
<b>Upper</b>	183	75.3	46.0	37,643	70.9	48.5	75	63.6	44.4	29,359	62.7	44.8	45.8
<b>Unknown</b>	0	0.0	0.2	0	0.0	0.4	1	0.8	0.4	500	1.1	1.1	0.5
<b>Tract-Unk</b>	0	0.0	0.3	0	0.0	0.1	0	0.0	0.4	0	0.0	0.2	
<b>Total</b>	243	100.0	100.0	53,110	100.0	100.0	118	100.0	100.0	46,835	100.0	100.0	100.0

*Source: 2022 FFIEC Census Data; 2022 D&B; 2020 U.S. Census*  
*Note: Percentages may not total 100.0% due to rounding.*

<b>Distribution of 2020 Small Business Lending By Income Level of Geography</b>							
<b>Assessment Area: MSA 35620 (NYC-Newark-Jersey City, NY-NJ-PA)</b>							
<b>Geographic Income Level</b>	<b>Bank And Aggregate Loans</b>						<b>Total Businesses %</b>
	<b>Bank</b>		<b>Agg</b>	<b>Bank</b>		<b>Agg</b>	
	<b>#</b>	<b>#%</b>	<b>#%</b>	<b>\$(000)</b>	<b>\$%</b>	<b>\$%</b>	
<b>Low</b>	41	2.3	8.0	5,656	2.6	7.2	9.1
<b>Moderate</b>	87	4.8	13.8	15,506	7.2	11.8	14.3
<b>Middle</b>	301	16.6	29.3	44,460	20.6	31.0	29.3
<b>Upper</b>	1,380	76.2	48.4	149,097	69.2	49.3	47.1
<b>Unknown</b>	1	0.1	0.2	786	0.4	0.5	0.2
<b>Tract-Unk</b>	0	0.0	0.3	0	0.0	0.2	
<b>Total</b>	1,810	100.0	100.0	215,505	100.0	100.0	100.0

*Source: 2020 FFIEC Census Data; 2020 D&B; 2015 ACS*  
*Note: Percentages may not total 100.0% due to rounding.*

**Small Business Lending by Borrower Income Level**

Distribution of 2021 and 2022 Small Business Lending By Revenue Size of Businesses													
Assessment Area: MSA 35620 (NYC-Newark-Jersey City, NY-NJ-PA)													
	Bank And Aggregate Loans By Year												Total Businesses %
	2021						2022						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	#	%	%	\$(000)	%	%	
<b>By Revenue</b>													
<b>\$1 Million or Less</b>	24	9.9	42.4	8,436	15.9	22.9	19	16.1	50.9	7,407	15.8	31.9	90.2
<b>Over \$1 Million</b>	58	23.9		27,169	51.2		62	52.5		31,902	68.1		8.9
<b>Revenue Unknown</b>	161	66.3		17,505	33.0		37	31.4		7,526	16.1		0.9
<b>Total</b>	243	100.0		53,110	100.0		118	100.0		46,835	100.0		100.0
<b>By Loan Size</b>													
<b>\$100,000 or Less</b>	129	53.1	92.4	3,990	7.5	37.8	25	21.2	95.3	1,644	3.5	44.5	
<b>\$100,001 - \$250,000</b>	42	17.3	4.3	7,998	15.1	18.4	25	21.2	2.6	5,487	11.7	15.3	
<b>\$250,001 - \$1 Million</b>	72	29.6	3.3	41,122	77.4	43.8	68	57.6	2.1	39,704	84.8	40.2	
<b>Total</b>	243	100.0	100.0	53,110	100.0	100.0	118	100.0	100.0	46,835	100.0	100.0	
<b>By Loan Size and Revenues \$1 Million or Less</b>													
<b>\$100,000 or Less</b>	6	25.0		271	3.2		5	26.3		340	4.6		
<b>\$100,001 - \$250,000</b>	5	20.8		1,095	13.0		2	10.5		450	6.1		
<b>\$250,001 - \$1 Million</b>	13	54.2		7,070	83.8		12	63.2		6,617	89.3		
<b>Total</b>	24	100.0		8,436	100.0		19	100.0		7,407	100.0		

Source: 2022 FFIEC Census Data; 2022 D&B; 2020 U.S. Census  
Note: Percentages may not total 100.0% due to rounding.

Distribution of 2020 Small Business Lending By Revenue Size of Businesses							
Assessment Area: MSA 35620 (NYC-Newark-Jersey City, NY-NJ-PA)							
	Bank And Aggregate Loans						Total Businesses %
	Bank		Agg	Bank		Agg	
	#	%	%	\$(000)	%	%	
<b>By Revenue</b>							
<b>\$1 Million or Less</b>	26	1.4	38.2	9,559	4.4	23.1	90.2
<b>Over \$1 Million</b>	49	2.7		22,757	10.6		9.0
<b>Revenue Unknown</b>	1,735	95.9		183,189	85.0		0.8
<b>Total</b>	1,810	100.0		215,505	100.0		100.0
<b>By Loan Size</b>							
<b>\$100,000 or Less</b>	1,269	70.1	88.2	45,783	21.2	33.1	
<b>\$100,001 - \$250,000</b>	296	16.4	6.9	47,975	22.3	20.5	
<b>\$250,001 - \$1 Million</b>	245	13.5	5.0	121,747	56.5	46.4	
<b>Total</b>	1,810	100.0	100.0	215,505	100.0	100.0	
<b>By Loan Size and Revenues \$1 Million or Less</b>							
<b>\$100,000 or Less</b>	10	38.5		350	3.7		
<b>\$100,001 - \$250,000</b>	3	11.5		551	5.8		
<b>\$250,001 - \$1 Million</b>	13	50.0		8,658	90.6		
<b>Total</b>	26	100.0		9,559	100.0		

Source: 2020 FFIEC Census Data, 2020 C&B; 2015 ACS  
Note: Percentages may not total 100.0% due to rounding.

## APPENDIX C- GLOSSARY

**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 metropolitan area/assessment area.

**Census tract:** A small, relatively permanent statistical subdivision of a county or statistically equivalent entity delineated for data presentation purposes by a local group of census data users or the geographic staff of a regional census center in accordance with Census Bureau guidelines. Designed to be relatively homogeneous units with respect to population characteristics, economic status, and living conditions at the time they are established, census tracts generally contain between 1,000 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries are delineated with the intention of being stable over many decades, so they generally follow relatively permanent visible features. However, they may follow governmental unit boundaries and other invisible features in some instances; the boundary of a state or county (or statistically equivalent entity) is always a census tract boundary.

**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:

1. Low-or moderate-income geographies;
2. Designated disaster areas; or
3. 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 LMI individuals.

**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.

**Distressed or Underserved Non-Metropolitan Middle-Income Area:** A middle-income, nonmetropolitan geography that is distressed due to economic factors, such as unemployment levels, poverty, or population loss, or is underserved based on population size, density, and dispersion.

**Family:** A family is a group of two or more people related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family.

**Full Review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, 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 income of applicants, the amount of loan requested, and the disposition of the application (e.g., approved, denied, and withdrawn).

**Home mortgage loans:** Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancings of home improvement and home purchase loans.

**Household:** A household consists of all the people who occupy a housing unit. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household. The count of households excludes group quarters.

**Limited-scope review:** Performance is analyzed using only quantitative factors.

**Low-income:** Individual income that is less than 50% 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 metropolitan area/assessment area.

**Metropolitan area (MA):** A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

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

**Moderate-income:** Individual income that is at least 50% and less than 80% of the area median income, or a median family income that is at least 50% and less than 80%, 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 the CRA evaluation. 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 multistate 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 multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

**Small loan(s) to business(es):** A loan included in 'loan 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. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as 'small business loans' if the loans are reported on the TFR as nonmortgage, commercial 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.

**Upper-income:** Individual income that is more than 120% of the area median income, or a median family income that is more than 120%, in the case of a geography.