

PUBLIC DISCLOSURE

August 1, 2022

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Metropolitan Commercial Bank
RSSD No. 2705895

99 Park Avenue
New York, NY 10016

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.

TABLE OF CONTENTS

Institution Rating

Overall Rating	1
Performance Test Ratings Table.....	1
Summary of Major Factors Supporting Rating	1

Institution

Description of Institution	3
Scope of Examination	4
Conclusions With Respect To Performance Tests	1111

Appendices

Appendix A - HMDA & Small Business Distribution Reports	20
Appendix B - Scope of Examination Table	22
Appendix C - Assessment Area Map.....	233
Appendix D - Glossary	244

INSTITUTION'S CRA RATING

INSTITUTION'S CRA RATING: Satisfactory

The following table indicates the performance level of Metropolitan Commercial Bank with respect to the lending, investment and service tests.

PERFORMANCE TEST RATINGS TABLE

PERFORMANCE LEVELS	<u>METROPOLITAN COMMERCIAL BANK</u>		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory		X	X
Low Satisfactory	X		
Needs to Improve			
Substantial Noncompliance			

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

SUMMARY OF MAJOR FACTORS SUPPORTING RATINGS

The major factors supporting the institution's rating follow:

LENDING TEST

- Lending levels reflected adequate responsiveness to Assessment Area (AA) credit needs.
- An adequate percentage of loans were made in the bank's AA.
- The geographic distribution of loans reflected poor penetration throughout the AA, particularly to low- or moderate-income geographies in the assessment area.
- The distribution of borrowers reflected, given the product lines offered by the bank, poor penetration among retail customers of different income levels and among business customers of different sizes.
- The bank exhibited an adequate record of serving the credit needs of the most economically disadvantaged area(s) 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 limited 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 occasionally used innovative and/or complex investments to support community development initiatives.
- The bank exhibited adequate responsiveness to credit and community economic development needs.

SERVICE TEST

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

INSTITUTION

DESCRIPTION OF INSTITUTION

Metropolitan Commercial Bank (“MCB” or “bank”) is an intrastate state-member bank headquartered in New York, New York. The bank is a wholly owned subsidiary of Metropolitan Bank Holding Corporation, a publicly owned financial holding company. MCB does not have any subsidiaries. MCB operates 6 branches, including its main office, 10 automated teller machines (ATMs) in New York and does not operate any loan production offices. The bank offers a range of commercial deposit and lending products, including commercial checking and savings accounts, commercial real estate and commercial and industrial loans. The bank does not offer consumer loans or residential mortgage lending products to consumers. MCB offers alternative delivery services, including its ATM network and internet banking. Additionally, the bank issues consumer prepaid cards through a network of third parties.

During the review period, MCB operated in a highly 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 June 30, 2020 FDIC Summary of Deposit Report, 117 institutions operated 2,052 offices within the bank’s assessment area. MCB ranked 33rd, with approximately \$3.4 billion in deposits, which represented 0.20 percent of the deposit market share. Competitors included large financial institutions, including JP Morgan Chase, Citibank, and Wells Fargo, and regional banks, such as Popular Bank, Dime Community Bank, and Valley National Bank.

Metropolitan Commercial Bank had total assets of \$7.1 billion, net loans and leases of \$3.7 billion, total deposits of \$7.2 billion and total real estate loans of \$484.8 million as of December 31, 2021. Based on the bank’s December 31, 2021 Consolidated Report of Condition and Income (“Call Report”), Metropolitan Commercial Bank’s loan portfolio by dollar volume consisted of nonfarm nonresidential, and commercial and industrial loans representing 60.6 percent and 17.3 percent of the portfolio, respectively. The subsequent table illustrates the institution’s loan portfolio.

Loan Portfolio as of 12/31/2021		
Loan Type	\$(000s)	%
1-4 Family Residential Real Estate	129,534	3.5
Construction, Land Development, and Other Land Loans	306,726	8.2
Multifamily (5 or more) Residential Real Estate	355,290	9.5
Home Equity Line of Credit (HELOCs)	-	0.0
Consumer	31,586	0.8
Agriculture Production and Other Loans to Farmers	-	0.0
Commercial & Industrial	646,937	17.3
Nonfarm Nonresidential Secured	2,261,076	60.6
Other	-	0.0
Total Loans	3,731,149	100.0
<i>Source: Consolidated Report of Condition and Income, December 31, 2021</i>		

Based on the December 31, 2021 Uniform Bank Performance Report (“UBPR”), the bank’s deposit portfolio was concentrated in demand deposit accounts and money market deposit accounts, representing 74.2 percent and 14.7 percent respectively, as outlined in the subsequent table.

Deposit Portfolio as of 12/31/2021		
Deposit Type	\$(000s)	%
Demand Deposits	5,303,383	74.2
All NOW and ATS	23,163	0.3
Money Market Deposit	1,051,366	14.7
Other Savings Deposits	26,545	0.4
Time Deposits at or below Insurance Limit	39,543	0.6
Time Deposits Over Insurance Limit	39,443	0.6
Brokered Deposits	667,486	9.3
Total Deposits	7,150,929	100.0
<i>Source: Uniform Bank Performance Report as of December 31, 2021</i>		

MCB had one assessment area for CRA purposes which was located within MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA). The bank’s assessment area did not change from the previous evaluation. MCB designated the MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA) assessment area which comprised of a portion of MD 35614 (New York-Jersey City-White Plains, NY-NJ) and included six contiguous New York State counties of Bronx, Kings, New York, Queens, and Richmond, and Nassau County, which was part of MD 35004 (Nassau County-Suffolk County, NY).

MCB’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 the Appendix. There were no financial or legal factors that would prevent the bank from fulfilling its responsibilities under the CRA.

The Federal Reserve Bank of New York assigned a rating of “Satisfactory” at the prior Community Reinvestment Act (CRA) Performance Evaluation dated February 11, 2019, based on the Federal Financial Institution’s Examination Council’s (“FFIEC”) Interagency Intermediate Small Institution CRA Examination Procedures.

SCOPE OF EXAMINATION

Procedures

Examiners used the FFIEC Interagency CRA Procedures for Large Institutions to evaluate MCB’s CRA performance. 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. This was the first examination of MCB under the Large Institution procedures.

Products

Examiners analyzed MCB’s lending performance using small business loan data, subject to CRA data reporting requirements, and HMDA-related loan data. Small business loans included commercial real estate or commercial and industrial loans and lines of credit in amounts of \$1 million or less. Although the bank was not a HMDA reporter during the evaluation period, the bank purchased and submitted HMDA-related loans for evaluation. Due to the limited volume and nature of purchased loan information, all HMDA-

related loans were evaluated as one product category. Examiners verified the integrity of 2019 and 2020 small business data. Examiners also analyzed community development loans, investments, and services.

Evaluation Period

Examiners reviewed the bank's small business loans that were originated, and HMDA-related loans that were purchased between January 1, 2019 through December 31, 2020. The evaluation of the bank's community development loans, investments, and services included all qualified activities from September 30, 2018 through December 31, 2021.

Lending Analysis

Borrower and geographic loan distribution analyses included only loans inside the assessment area. The bank's record of small business lending was compared to 2020 Dun & Bradstreet ("D&B") demographic data and aggregate small business loan data for 2019 and 2020. Since the bank was not subject to HMDA-reporting requirements, the bank's HMDA-related lending was compared to the 2015 American Community Survey (ACS) demographic data only.

To evaluate the geographic distribution, the proportion of HMDA-related loans located in low- or moderate-income ("LMI") geographies was compared to the proportion of owner-occupied 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 Dun & Bradstreet ("D&B") data. Performance in low-income and in moderate-income geographies were analyzed separately.

To analyze the distribution of HMDA-related 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. For small business lending, the analysis compared the proportion of loans to businesses with gross annual revenues ("GAR") of \$1 million or less, based on D&B data, to the proportion of all such businesses located in the assessment area. The size of the small business loans was also used as a proxy to identify lending to smaller businesses.

Community Development Activity Analysis

Community development activities were reviewed to determine whether the activities had community development as a primary purpose and whether the community development activities were within the assessment area or the broader statewide or regional area ("BSRA") that included the assessment area. In addition, in accordance with CA Letter 21-5: *Community Reinvestment Act (CRA) Consideration for Activities in Response to the Coronavirus*, and its attachments, qualified community development activities supporting community needs related to the COVID-19 pandemic located outside of the assessment area or BSRA would also be 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 the 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.

Deriving Overall Conclusions

In deriving overall conclusions, MCB's performance was evaluated through a full scope review in its only assessment area, the MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA). In reaching a conclusion about MCB's overall performance, products were weighted based on the bank's business model and overall portfolio make-up, which primarily reflected commercial lending. As such, small business lending received the greatest weight in the lending test.

Demographic and economic information also impacted MCB's performance context and is discussed in detail within the assessment area. Information was obtained from publicly available sources including the U.S. Department of Commerce's Bureau of the Census, the American Community Survey ("ACS"), and the U.S. Department of Labor.

Community Contacts

In order to learn more about community credit needs, examiners conducted interviews with two community organizations that serve the assessment area. The first community contact was held with a local community development organization located in Tarrytown, New York that serves both New York and New Jersey. The organization helps to create and fund affordable housing projects and services for low-income families in the tristate area. The contact noted that affordable housing stock in the area is limited and that zoning laws in the metropolitan area are an obstacle for affordable housing projects. The contact also explained that low-income families are also burdened by a shortage of childcare centers. The contact stated that there is opportunity for financial institutions to partner with Community Development Financial Institutions, provide homebuyer counseling and seminars, and provide flexible homebuyer programs.

An additional contact was conducted with another New York based organization that creates opportunities for low-income families to obtain affordable homes and provides services that strengthen low-income communities. Similarly, as mentioned above, there is opportunity for financial institutions to provide homebuyer counseling seminars and to provide flexible homebuyer programs. The contact also expressed a growing need for banks to employ bilingual employees, citing a language barrier as an obstacle to banking in the metro area.

PERFORMANCE CONTEXT

The following demographic and economic information were used to describe the assessment area and to evaluate the context in which Metropolitan Commercial Bank operated. The information was obtained from publicly available sources, including the 2015 ACS, U.S. Department of Labor ("DOL"), D&B, FFIEC, and U.S. Department of Housing and Urban Development ("HUD").

Demographic Characteristics

According to the 2015 ACS, the population of the AA was 9,781,355. The assessment area consisted of 2,451 census tracts, of which 296 or 12.1% were low-income, 598 or 24.4% were moderate-income, 801 or 32.7% were middle-income, 681 or 27.8% were upper-income, and 75 or 3.1% were of unknown-income.

Income Characteristics

Based on the 2015 ACS data, the assessment area had 2,203,187 families, of which 28.8% were low-income (15.5% of which were below the poverty level), 15.9% were moderate-income, 16.6% were middle-income, and 38.7% were upper-income. The FFIEC median family incomes for the counties comprising the MSA as of the 2015 ACS were as follows:

MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA) – Median Family Income Change			
Area	2010 Median Family Income	2015 Median Family Income	Percent Change
Assessment Area	\$67,657	\$66,028	-2.41%
Bronx County, NY	\$41,849	\$38,517	-7.96%
Kings County, NY	\$53,116	\$53,808	1.30%
Nassau County, NY	\$117,535	\$114,662	-2.44%
New York County, NY	\$82,356	\$89,291	8.42%
Queens County, NY	\$68,015	\$64,475	-5.20%
Richmond County, NY	\$90,670	\$85,788	-5.38%
MD 35004 (Nassau County-Suffolk County, NY)	\$110,575	\$108,193	-2.15%
MD 35614 (New York-Jersey City-White Plains, NY-NJ)	\$86,345	\$67,560	-21.76%
State of New York	\$73,401	\$71,913	-2.03%
<i>Source: 2006 – 2010 U.S. Census Bureau American Community Survey 2011 – 2015 U.S. Census Bureau American Community Survey Median Family Incomes have been inflation-adjusted and are expressed in 2015 dollars</i>			

Housing Characteristics

Based on the 2015 ACS data, the assessment area had 3,889,481 housing units, of which 34.6% were owner-occupied, 56.8% were rental, and 8.6% were vacant. Of the total housing units, 13.5% were located in low-income tracts, 24.6% in moderate-income tracts, 28.8% in middle-income tracts, 32.9% in upper-income tracts, and 0.3% in unknown-income tracts. In low-income census tracts, 7.5% of housing units were owner-occupied, 85.8% were rental units, and 6.6% were vacant. In moderate-income census tracts, 19.9% of housing units were owner-occupied, 72.0% were rental units, and 8.1% were vacant.

The median age of housing stock in the AA was 61 years old, with 49.2% of the stock built before 1950. According to the 2015 ACS, the median housing value was \$478,372, with an affordability ratio of 12.2. The median gross rent was \$1,267 per month.

Area	2015 Median Housing Value	2015 Affordability Ratio	2015 Median Gross Rent
Assessment Area	\$478,372	12.17	\$1,267
Bronx County, NY	\$363,400	9.44	\$1,074
Kings County, NY	\$570,200	8.45	\$1,215
Nassau County, NY	\$446,400	22.28	\$1,578
New York County, NY	\$848,700	8.59	\$1,519

Queens County, NY	\$450,300	12.82	\$1,367
Richmond County, NY	\$439,500	16.65	\$1,169
MD 35004 (Nassau County-Suffolk County, NY)	\$406,895	22.9	\$1,559
MD 35614 (New York-Jersey City-White Plains, NY-NJ)	\$461,711	12.86	\$1,261
State of New York	\$283,400	20.91	\$1,132

Housing Cost Burden

Housing costs were relatively expensive in the assessment area, which indicated that affordable housing for LMI individuals and families continued to be a challenge. According to HUD’s 2014-2018 Comprehensive Housing Affordability Strategy data, within the AA, 48.7% of all rental households had rental costs that exceeded 30% of their incomes, 76.9% of low-income rental households had rental costs that exceeded 30% of their income, and 51.9% of moderate-income rental households had rental costs that exceeded 30% of their income.

According to HUD’s data, 34.0% of homeowners had housing costs that exceeded 30% of their incomes, 76.5% of low-income homeowners had housing costs that exceeded 30% of their income, and 54.4% of moderate-income homeowners had housing costs that exceeded 30% of their income. See the “Housing Cost Burden” table below for more details.

MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA) – Housing Cost Burden						
Area	Cost Burden – Renters			Cost Burden – Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
Assessment Area	76.9%	51.9%	48.7%	76.5%	54.4%	34.0%
Bronx County, NY	77.8%	39.3%	55.7%	69.3%	45.4%	35.2%
Kings County, NY	77.3%	51.0%	49.8%	77.2%	54.5%	37.8%
Nassau County, NY	77.4%	61.3%	49.8%	84.3%	65.3%	34.6%
New York County, NY	71.1%	52.7%	41.6%	60.3%	47.7%	20.7%
Queens County, NY	82.1%	61.3%	50.1%	75.6%	51.9%	36.7%
Richmond County, NY	69.2%	55.4%	47.3%	81.6%	56.8%	34.7%
MD 35004 (Nassau County-Suffolk County, NY)	78.7%	62.0%	51.8%	84.3%	63.4%	35.2%
MD 35614 (New York-Jersey City-White Plains, NY-NJ)	77.3%	52.5%	48.4%	77.8%	56.6%	34.0%
State of New York	77.0%	48.6%	48.0%	73.8%	46.0%	27.4%

Cost Burden is housing cost that equals 30 percent or more of household income
Source: U.S. Department of Housing and Urban Development (HUD), 2014-2018 Comprehensive Housing Affordability Strategy

Labor, Employment and Economic Characteristics

According to D&B data, there were 456,337 businesses operating in the assessment area in 2020, of which 7.0% were located in low-income census tracts and 17.5% were located in moderate-income tracts. Of the

total businesses operating in the assessment area, 90.5% were small businesses with a gross annual revenue (“GAR”) of \$1 million or less, of which 7.2% were located in low-income geographies and 18.0% were located in moderate-income geographies.

According to the U.S. Bureau of Labor Statistics, unemployment in the assessment area was 3.8% in 2019, increased to 11.8% in 2020, and decreased to 9.0% in 2021. The state of New York had an unemployment rate of 3.8% in 2019, which increased to 9.9% in 2020, and decreased to 6.9% in 2021. The increase in the unemployment rate in 2020 was due to the COVID-19 pandemic.

MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA) 2019-2021 Unemployment Rates			
Area	2019	2020	2021
Assessment Area	3.8%	11.8%	9.0%
Bronx County, NY	5.2%	16.2%	13.6%
Kings County, NY	4.0%	12.6%	10.1%
Nassau County, NY	3.3%	8.0%	4.5%
New York County, NY	3.4%	9.6%	7.6%
Queens County, NY	3.4%	12.6%	9.6%
Richmond County, NY	3.7%	10.6%	8.7%
MD 35004 (Nassau County-Suffolk County, NY)	3.4%	8.1%	4.5%
MD 35614 (New York-Jersey City-White Plains, NY-NJ)	3.7%	11.5%	8.7%
State of New York	3.8%	9.9%	6.9%

Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics

Additional performance context data is provided in the following Demographics Table.

**Assessment Area Demographics
MSA 35620 (NEW YORK-NEWARK-JERSEY CITY, NY-NJ- PA)**

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	296	12.1	323,069	14.7	124,649	38.6	634,653	28.8
Moderate-income	598	24.4	561,989	25.5	119,966	21.3	349,660	15.9
Middle-income	801	32.7	698,769	31.7	66,545	9.5	365,496	16.6
Upper-income	681	27.8	616,259	28	28,961	4.7	853,378	38.7
Unknown-income	75	3.1	3,101	0.1	434	14	0	0
Total Assessment Area	2,451	100.0	2,203,187	100.0	340,555	15.5	2,203,187	100.0
	Housing Units by	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		

	Tract	#	%	%	#	%	#	%
Low-income	523,327	39,503	2.9	7.5	449,085	85.8	34,739	6.6
Moderate-income	955,756	190,128	14.1	19.9	688,033	72	77,595	8.1
Middle-income	1,120,311	536,485	39.9	47.9	501,215	44.7	82,611	7.4
Upper-income	1,279,586	576,542	42.9	45.1	563,878	44.1	139,166	10.9
Unknown-income	10,501	2,469	0.2	23.5	6,837	65.1	1,195	11.4
Total Assessment Area	3,889,481	1,345,127	100.0	34.6	2,209,048	56.8	335,306	8.6

	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	31,747	7	29,532	7.2	1,983	5	232	6.4
Moderate-income	79,712	17.5	74,500	18	4,743	11.9	469	12.9
Middle-income	122,855	26.9	114,253	27.7	7,733	19.5	869	23.9
Upper-income	210,804	46.2	186,321	45.1	22,547	56.8	1,936	53.3
Unknown-income	11,219	2.5	8,379	2	2,715	6.8	125	3.4
Total Assessment Area	456,337	100.0	412,985	100.0	39,721	100.0	3,631	100.0
Percentage of Total Businesses:				90.5		8.7		.8
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low-income	78	7.6	75	7.5	3	13	0	0
Moderate-income	179	17.5	175	17.6	4	17.4	0	0
Middle-income	240	23.5	235	23.6	5	21.7	0	0
Upper-income	503	49.3	493	49.4	9	39.1	1	100
Unknown-income	21	2.1	19	1.9	2	8.7	0	0
Total Assessment Area	1,021	100.0	997	100.0	23	100.0	1	100.0
Percentage of Total Farms:				97.6		2.3		.1

2020 FFIEC Census Data and 2020 D&B Information

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Metropolitan Commercial Bank’s overall performance under the lending test is rated *Low Satisfactory*.

MCB’s lending levels reflected adequate responsiveness to assessment area credit needs. MCB originated an adequate percentage of its loans within its assessment area. MCB’s overall geographic distribution of HMDA-related and small business loans reflected poor penetration throughout the assessment area. The distribution of borrowers reflected, given the product lines offered, poor penetration among customers of different income levels and businesses of different sizes. The bank was a leader in making community development loans. MCB made limited use of innovative and/or flexible lending practices to serve the credit needs of its assessment area.

Lending Activity

MCB’s lending levels reflected adequate responsiveness to assessment area credit needs. This conclusion is based on lending activity levels, market share performance, and comparison with aggregate performance data. The bank’s lending activity is summarized in the table below. This assessment area was highly competitive for financial services, with competitors including large financial institutions and regional banks; MCB’s market share of deposits and lending in this assessment area was generally stable during the evaluation period.

Overall, there were a total of 253 HMDA-related and small business loans made during the evaluation period, totaling approximately \$296.7 million. Compared to the prior evaluation, the bank had a decrease in small business and HMDA-related lending activity. For this evaluation period, the bank’s annualized total of small business activity was 64, which was below the last evaluation’s previous annualized total of 307. Additionally, the bank’s current annualized total of HMDA-related lending was 62.5, which was also below the previous evaluation’s annualized total of 112.5 loans.

In 2020, the bank ranked 33rd out of 117 institutions with a deposit market share of 0.20 percent and ranked 99th out of 399 reporters with a market share of 0.02 percent in small business lending. In 2019, the bank ranked 36th out of 117 institutions with a deposit market share of 0.17 and ranked 70th out of 246 reporters with a market share of 0.02 percent in small business lending.

MCB’s overall HMDA-related and Small Business lending is summarized in the following table:

Summary of Lending Activity January 1, 2019 to December 31, 2020				
Loan Type	#	%	\$ (000's)	%
HMDA-Related Loans	125	49.4	253,321	85.4
Small Business	128	50.6	43,382	14.6
TOTAL LOANS	253	100.0	296,703	100.0

Assessment Area Concentration

MCB originated or purchased (for HMDA-related loans) an adequate percentage of its loans within its assessment area. Throughout the evaluation period, the bank purchased HMDA-related loans and originated small business loans at 74.8% by number and 46.7% by dollar volume to individuals residing in or small businesses operating in the assessment area. The bank originated 66.8% of small business lending, by dollar, inside its assessment area. However, by dollar amount, the bank purchased 43.1% of HMDA-related lending within its assessment area.

The following table shows the distribution of HMDA-related and small business loans by both number and dollar volume during the evaluation period.

Lending Inside and Outside the Assessment Area January 1, 2019 to December 31, 2020								
Loan Types	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
HMDA-related Loans	102	81.6	109,304	43.1	23	18.4	144,017	56.9
Small Business	87	68.0	28,991	66.8	41	32.0	14,391	33.2
TOTAL LOANS	189	74.7	138,295	46.6	64	25.3	158,408	53.4

Geographic Distribution of Loans

MCB's overall geographic distribution of HMDA-related and small business loans reflected poor penetration throughout the assessment area. MCB demonstrated a low-level of dispersion in low- and moderate-income tracts. The distribution of HMDA-related loans reflected excellent penetration throughout the assessment area. The distribution of small business loans reflected poor penetration throughout the assessment area. More weight was given to small business lending as commercial lending comprises 77.9 percent of the bank's lending portfolio.

Analysis of Lending Gaps

MCB demonstrated a low-level of dispersion in low- or moderate-income tracts. The bank is primarily a commercial lender, which affects performance. In 2019, the bank's performance was at 2.0 percent and 4.0 percent, in low- and moderate-income census tracts, respectively, which remained similar in 2020 at 2.0 percent and 2.0 percent in low- and moderate-income census tracts. When compared to the previous evaluation period, the bank's performance was similar to 2017 and below 2018 performance. Specifically, for 2017 the bank's performance was at 1.7 percent and 0.6 percent, in low- and moderate-income census tracts respectively and in 2018 performance was at 2.8 percent and 9.6 percent in low- and moderate-income census tracts respectively. The table below is a summary of the analysis of lending gaps in the assessment area.

Lending Gap Analysis – MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA) January 1, 2019 – December 31, 2020			
Tract Income Levels	Number of Tracts	Tracts with no Loans	Penetration
2019			
Low	296	291	2%
Moderate	598	576	4%

Middle	801	771	4%
Upper	681	651	4%
Income Unknown	75	73	3%
2020			
Low	296	290	2%
Moderate	598	584	2%
Middle	801	775	3%
Upper	681	651	4%
Income Unknown	75	74	1%

HMDA-Related Loans

The geographic distribution of HMDA-related loans reflected excellent penetration throughout the assessment area.

In 2020, the bank made or purchased 11.9% by number and 14.3% by dollar of HMDA-related loans in low-income census tracts. The bank's home lending performance in low-income census tracts was significantly above the 2.9% of owner-occupied housing units located in low-income census tracts. In 2020, the bank made or purchased 26.2% of home loans by number and 39.2% by dollar in moderate-income census tracts. The bank's home lending performance was significantly above the 14.1% of owner-occupied housing units located in moderate-income census tracts.

In 2019, the bank made or purchased 8.3% by number and 4.8% by dollar of HMDA-related loans in low-income census tracts. The bank's home lending performance in low-income census tracts was slightly above the 2.9% of owner-occupied housing units located in low-income census tracts. In 2019, the bank made or purchased 33.3% of home loans by number and 18.0% by dollar in moderate-income census tracts. The bank's home lending performance was significantly above the 14.1% of owner-occupied housing units located in moderate-income census tracts.

Small Business Loans

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

In 2020, the bank made 2.3% 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 7.0% of businesses located in low-income census tracts and significantly below the aggregate, which made 7.4% by number and 5.9% by dollar of small business loans in low-income census tracts. In 2020, the bank made 11.4% by number and 12.8% by dollar of small business loans in moderate-income census tracts. MCB's small business lending performance in moderate-income census tracts was significantly below the 17.5% of businesses located in moderate-income census tracts and significantly below the aggregate, which made 17.5% by number and 14.1% by dollar of small business loans in moderate-income census tracts.

In 2019, the bank did not make any small business loans in low-income census tracts. The bank's small business lending performance in low-income census tracts was significantly below the 7.0% of businesses

located in low-income census tracts and significantly below the aggregate, which made 7.8% by number and 7.1% by dollar of small business loans in low-income census tracts. In 2019, the bank made 9.3% by number and 12.0% by dollar of small business loans in moderate-income census tracts. MCB's small business lending performance in moderate-income census tracts was significantly below the 17.5% of businesses located in moderate-income census tracts and significantly below the aggregate, which made 18.0% by number and 16.2% by dollar of small business loans in moderate-income census tracts.

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

The distribution of borrowers reflected, given the product lines offered, poor penetration among customers of different income levels and businesses of different sizes. This conclusion was primarily based on small business performance, as commercial lending comprises 77.9 percent of the bank's lending portfolio. The borrower distribution of HMDA-related loans reflected adequate penetration. The borrower distribution of small business loans reflected poor penetration to businesses with gross annual revenues of \$1 million or less.

HMDA-Related Loans

The borrower distribution of HMDA-related loans reflected an overall adequate penetration among customers of different income levels. The distribution of borrowers reflected, given the product lines offered, very poor penetration among low-income customers and excellent penetration among moderate-income customers for HMDA-related lending.

In 2020, the bank made or purchased 4.8% by number and 0.8% by dollar of HMDA-related loans to low-income borrowers and was significantly below the 28.8% of low-income families in the assessment area. The bank's lending to moderate-income borrowers was 26.2% by number and 6.0% by dollar. Performance by number was significantly above the 15.9% of moderate-income families in the assessment area.

In 2019, the bank made or purchased 6.7% by number and 2.9% by dollar of HMDA-related loans to low-income borrowers and was significantly below the 28.8% of low-income families in the assessment area. The bank's lending to moderate-income borrowers was 40.0% by number and 15.3% by dollar. Performance by number was significantly above the 15.9% of moderate-income families in the assessment area.

Small Business Loans

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

In 2020, the bank originated 2.3% of loans by number and 8.8% by dollar to businesses with gross annual revenues of \$1 million or less. The bank's lending to small businesses was significantly below the aggregate, at 34.6% by number and 17.8% by dollar, in addition to being significantly below the 90.5% percentage of businesses in the assessment area with gross annual revenues of \$1 million or less. The bank originated 50.0% 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.

In 2019, the bank originated 20.9% of loans by number and 19.0% by dollar to businesses with gross annual revenues of \$1 million or less. The bank’s lending to small businesses was significantly below the aggregate, at 44.6% by number and 27.3% by dollar, in addition to being significantly below the 90.5% percentage of businesses in the assessment area with gross annual revenues of \$1 million or less. The bank originated 20.9% 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.

Innovative and/or Flexible Lending Practices

MCB made limited use of innovative and/or flexible lending practices to serve the credit needs of its assessment area.

In response to the COVID-19 pandemic, MCB participated in the SBA Paycheck Protection Program (“PPP”) and originated 38 PPP loans to outside parties, totaling \$3.6 million. PPP loans provided a direct benefit to small businesses adversely affected by the COVID-19 pandemic and was considered particularly responsive to acute credit needs during that time. Additionally, all PPP loans were made in amounts under \$1 million. Bank participation in this lending program met the credit needs of particularly small businesses, where 28 or 73.7 percent of PPP loans were loans under \$100,000. In accordance with CA Letter 21-5, PPP loans in amounts greater than \$1 million may be considered as community development loans if they also have a primary purpose of community development; however, the bank did not submit any PPP loans exceeding \$1 million.

No additional innovative and/or flexible lending practices were offered by the bank.

Community Development Lending

MCB was a leader in making community development (“CD”) loans. MCB’s CD loans primarily helped finance affordable housing initiatives and community service efforts, consistent with the needs identified by community contacts.

As shown in the subsequent table, the bank originated 70 qualified CD loans totaling approximately \$470.1 million across the assessment area. This lending level represented an annualized performance (over 39 months) of 21.5 loans, totaling approximately \$144.6 million. Compared to the previous evaluation, where the bank had an annualized performance (over 15 months) of 42.4 loans totaling \$173.7 million, this represented an annualized performance decrease by number and by dollar volume.

However, the bank compared favorably to three similarly situated banks that primarily served the assessment area. MCB ranked first with 2.33 percent annualized CD loans to deposits; first with 23.7 percent annualized CD loans to tier 1 capital; and first with 3.77 percent annualized CD loans to average assets.

The subsequent table illustrates the CD lending activity by year and purpose.

Community Development Lending					
MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA)					
	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals

Activity Year	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2018	0	0	0	0	0	0	0	0	0	0
2019	10	29,864	5	42,231	0	0	0	0	15	72,095
2020	5	26,909	16	171,447	0	0	0	0	21	198,356
2021	14	49,395	20	150,205	0	0	0	0	34	199,600
Total	29	106,168	41	363,883	0	0	0	0	70	470,051
<i>Source: Bank Data</i>										

The following are examples of community development loans made in the assessment area.

- In 2019, the bank provided a \$8 million loan to an LLC to refinance a multi-family building located in a low-income census tract. The building is leased to a shelter. This loan supports affordable housing for low- and moderate-income families in the assessment area
- In 2020, the bank provided a \$20 million loan to a limited liability corporation (LLC) for the acquisition of a nursing facility. The facility is located in a moderate-income census tract. Additionally, the financials demonstrate that over 64.4 percent of the revenue is derived from Medicaid. As a result, this loan helped to support community services to low- and moderate-income families in the assessment area.

INVESTMENT TEST

MCB's overall performance under the investment test is rated *High Satisfactory* based primarily on the bank's significant level of qualified CD investments and grants. The bank made occasional use of innovative and/or complex investments to support Community Development ("CD") initiatives. The bank exhibited adequate responsiveness to credit and CD needs.

The bank made a significant level of qualified CD investments and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors. During the current evaluation period, the bank made 74 qualified CD investments and grants, totaling approximately \$41.4 million, which included 15 new investments, totaling \$36.2 million, 4 outstanding prior period investments with a current balance of \$4.6 million, and 55 grants totaling \$565,000. The investment level represented an annualized performance (over 39 months) of \$12.6 million by dollar volume. The level of grants represented an annualized performance (over 39 months) of \$173,846 by dollar volume. On a combined annualized basis (both investment and grants), the bank had 22.8 activities totaling \$12.7 million. Compared to the previous evaluation, where the bank had a combined annualized performance (over 27 months) of 12.9 activities totaling \$5.0 million, this represented an annualized performance increase of 76.4 percent by number and 154.0 percent by dollar volume.

Overall, the bank ranked third of four similarly situated banks that primarily served the assessment area. MCB ranked third with a 0.21 percent annualized CD investments and grants to deposits; third with a 2.09 percent annualized CD investments and grants to tier 1 capital; and third, with a 0.33 percent annualized CD investments and grants to average assets.

The bank occasionally used innovative and/or complex investments to support community development initiatives. Specifically, 57.9 percent of the bank's new investments consist of mortgage-backed securities,

which are not considered particularly innovative or complex. However, 21.1 percent of investments were made to CDFI's which helped address credit needs and supported community service needs.

MCB exhibited adequate responsiveness to assessment area credit and community development needs. The bank's qualified investments primarily promoted affordable housing efforts, which was a community development need within the assessment area. Qualified grants primarily promoted community services for LMI individuals, which was also a need within the assessment area.

The table below details the institution's qualified investments and grants by year and purpose.

Qualified Investments and Grants										
MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA)										
Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	2	3,416	2	1,223	0	0	0	0	4	4,639
2018	2	5,810	2	498	0	0	0	0	4	6,308
2019	4	55	6	44	4	50	4	35	18	184
2020	3	4,970	10	573	3	30	2	20	18	5,593
2021	10	24,500	15	124	3	40	2	25	30	24,689
Total	21	38,751	35	2,462	10	120	8	80	74	41,413

Source: Bank Records

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

- In 2020, the bank made a \$500,000 investment in a Community Development Financial Institution ("CDFI"). CDFIs focus primarily on personal lending and business development efforts in underserved local communities requiring revitalization in the assessment area.
- In 2021, the bank invested a total of \$24.5 million in nine mortgage-backed securities ("MBS") that supported affordable housing efforts in the assessment area. All of the investments were secured by low- or moderate-income residential loan borrowers.
- From 2019 to 2021, the bank provided 10 grants to various organizations throughout the assessment area. These organizations promoted economic development by providing services to LMI individuals including job placement and workplace training. The organizations also provided small business services, including micro lending, access to capital, and supporting new minority-owned businesses.

SERVICE TEST

MCB's overall service test performance is rated *High Satisfactory*. Delivery systems were reasonably accessible to all portions of the bank's assessment area, including low- and moderate-income areas. To the extent changes have been made, the bank's opening and closing of branches had not adversely affected the accessibility of delivery systems, particularly in low- and moderate- income census tracts and/or low-and

moderate-income individuals. Services did not vary in a way that inconvenienced certain portions of the AA, particularly low- and moderate-income census tracts and/or individuals. MCB also provided a relatively high level of CD services.

Retail Services

Delivery systems were reasonably accessible to all portions of the bank’s assessment area, including low- and moderate-income areas. As shown in the table, during the evaluation period, MCB operated 6 full-service branches and 10 ATMs in the assessment area. MCB had 1 branch (16.7 percent) and 3 ATMs (30.0 percent) in the low-income census tracts which exceeded both the 12.1 percent of low-income census tracts and 14.7 percent of families that are low-income. The bank does not have any offices in moderate-income census tracts.

Branch and ATM Distribution by Geography Income Level MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA) Assessment Area								
Tract Income Level	Census Tracts		Families by Tract Income		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	296	12.1	323,069	14.7	1	16.7	3	30.0
Moderate	598	24.4	561,989	25.5	0	0.0	0	0.0
Middle	801	32.7	698,769	31.7	1	16.7	1	10.0
Upper	681	27.8	616,259	28.0	3	50.0	4	40.0
Unknown	75	3.1	3,101	0.1	1	16.7	2	20.0
Total	2,451	100.0	2,203,187	100.0	6	100.0	10	100.0

Source: 2015 ACS data and Bank Records

In addition to the physical access to branches and ATMs, the bank offered other alternative delivery systems that improved accessibility for its products and services for all geographies, including low- and moderate-income areas. These delivery systems included online banking and mobile banking.

There were no changes in branch locations since the previous evaluation. As such, the bank’s opening and closing of branches had not adversely affected the accessibility of delivery systems, particularly in low- and moderate- income census tracts.

Services did not vary in a way that inconvenienced certain portions of the assessment area, particularly low- and moderate-income census tracts or individuals. All branches offered the same loan and deposit products. Service hours were generally similar for all branches, with business hours varying slightly by branch according to area needs. Additionally, the Boro Park branch, located in a low-income tract, was the only branch offering Sunday hours.

Community Development Services

MCB provided a relatively high level of CD services in its assessment area, considering performance context challenges related to the COVID-19 pandemic. The bank conducted 67 qualified community service events, representing an overall annualized (over 39 months) performance of 20.6 services. Compared to the last evaluation where the bank had an annualized performance (over 27 months) of 26.7 services, this represented an annualized performance decrease of 22.8 percent. However, the bank also provided over 800.5 hours of service, resulting in an annualized performance for service hours increase from 85.8 hours at the last exam to 246.3 hours, an increase of 187.1 percent. The bank’s qualified

community development services consisted of a wide variety of events related to financial education and technical assistance seminars.

The subsequent table summarizes the bank’s community development services by year and purpose.

Community Development Services					
MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA)					
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Totals
	#	#	#	#	#
2018	0	0	0	0	0
2019	0	36	0	0	36
2020	0	22	1	0	23
2021	0	3	5	0	8
Total	0	61	6	0	67
<i>Source: Bank Data</i>					

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

- From 2019 to 2021, bank staff provided a number of financial literacy trainings to low- and moderate-income individuals and hosted financial education seminars in low- and moderate-income geographies.
- In 2020 and 2021, bank employees provided their financial expertise to an organization which provided various services to low- and moderate-income youths. The organization provided financial literacy, work-readiness, job development, and entrepreneurship services to underprivileged populations within the assessment area.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

APPENDIX A - HMDA & SMALL BUSINESS DISTRIBUTION REPORTS

Distribution of 2019 and 2020 HMDA-related lending By Income Level of Geography									
Assessment Area: MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA)									
Geographic Income Level	Bank Loans By Year								Owner Occupied Units %
	2019				2020				
	#	#%	\$(000)	%	#	#%	\$(000)	%	
Low	5	8.3	2,081	4.8	5	11.9	9,374	14.3	2.9
Moderate	20	33.3	7,852	18.0	11	26.2	25,769	39.2	14.1
Middle	19	31.7	6,891	15.8	15	35.7	8,303	12.6	39.9
Upper	16	26.7	26,734	61.4	11	26.2	22,301	33.9	42.9
Unknown	0	0.0	0	0.0	0	0.0	0	0.0	0.2
Total	60	100.0	43,558	100.0	42	100.0	65,747	100.0	100.0

*Source: 2020 FFIEC Census Data
2011-2015 U.S. Census Bureau: American Community Survey*

Distribution of 2019 and 2020 HMDA-related lending By Borrower Income Level									
Assessment Area: MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA)									
Borrower Income Level	Bank Loans By Year								Families by Family Income %
	2019				2020				
	#	#%	\$(000)	%	#	#%	\$(000)	%	
Low	4	6.7	1,273	2.9	2	4.8	551	0.8	28.8
Moderate	24	40.0	6,676	15.3	11	26.2	3,921	6.0	15.9
Middle	8	13.3	2,127	4.9	9	21.4	3,345	5.1	16.6
Upper	18	30.0	7,004	16.1	9	21.4	3,668	5.6	38.7
Unknown	6	10.0	26,477	60.8	11	26.2	54,263	82.5	0.0
Total	60	100.0	43,558	100.0	42	100.0	65,747	100.0	100.0

*Source: 2020 FFIEC Census Data
2011-2015 U.S. Census Bureau: American Community Survey*

Distribution of 2019 and 2020 Small Business Lending By Income Level of Geography													
Assessment Area: MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA)													
Geographic Income Level	Bank And Aggregate Loans By Year											Total Businesses %	
	2019						2020						
	Bank		Agg	Bank		Agg	Bank		Agg		Agg		
	#	#%	#%	\$(000)	%	%	#	#%	#%	\$(000)	%		%
Low	0	0.0	7.8	0	0.0	7.1	1	2.3	7.4	64	0.6	5.9	7.0
Moderate	4	9.3	18.0	2,111	12.0	16.2	5	11.4	17.5	1,455	12.8	14.1	17.5
Middle	14	32.6	26.5	5,363	30.4	24.0	13	29.5	26.5	4,891	43.0	22.8	26.9
Upper	23	53.5	45.0	9,759	55.4	48.1	24	54.5	46.1	4,818	42.4	52.7	46.2
Unknown	2	4.7	2.2	390	2.2	4.4	1	2.3	2.3	140	1.2	4.4	2.5
Total	43	100.0	100.0	17,623	100.0	100.0	44	100.0	100.0	11,368	100.0	100.0	100.0

Source: 2020 FFIEC Census Data

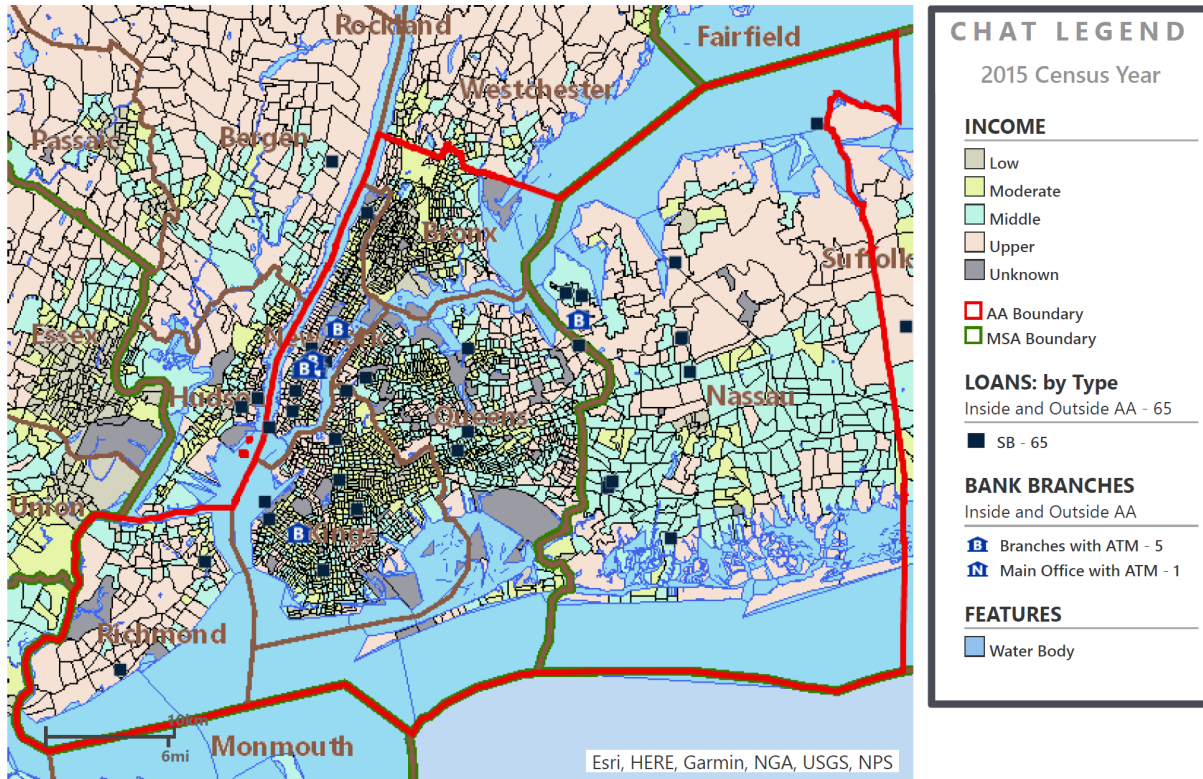
2020 Dun & Bradstreet Data
2011-2015 U.S. Census Bureau: American Community Survey

Distribution of 2019 and 2020 Small Business Lending By Revenue Size of Businesses													
Assessment Area: MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA)													
	Bank And Aggregate Loans By Year												Total Businesses %
	2019						2020						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	\$(000)	\$%	\$%	#	#%	#%	\$(000)	\$%	\$%	
By Revenue													
\$1 Million or Less	9	20.9	44.6	3,344	19.0	27.3	1	2.3	34.6	1,000	8.8	17.8	90.5
Over \$1 Million	25	58.1		9,628	54.6		11	25.0		4,675	41.1		8.7
Revenue Unknown	9	20.9		4,651	26.4		32	72.7		5,693	50.1		0.8
Total	43	100.0		17,623	100.0		44	100.0		11,368	100.0		100.0
By Loan Size													
\$100,000 or Less	9	20.9	95.4	603	3.4	46.5	22	50.0	89.0	885	7.8	34.8	
\$100,001 - \$250,000	13	30.2	2.6	2,456	13.9	15.4	10	22.7	6.7	1,637	14.4	21.5	
\$250,001 - \$1 Million	21	48.8	2.0	14,563	82.6	38.1	12	27.3	4.4	8,846	77.8	43.7	
Total	43	100.0	100.0	17,623	100.0	100.0	44	100.0	100.0	11,368	100.0	100.0	
By Loan Size and Revenues \$1 Million or Less													
\$100,000 or Less	3	33.3		138	4.1		0	0.0		0	0.0		
\$100,001 - \$250,000	2	22.2		356	10.6		0	0.0		0	0.0		
\$250,001 - \$1 Million	4	44.4		2,850	85.2		1	100.0		1,000	100.0		
Total	9	100.0		3,344	100.0		1	100.0		1,000	100.0		
<i>Source: 2020 FFIEC Census Data 2020 Dun & Bradstreet Data 2011-2015 U.S. Census Bureau: American Community Survey</i>													

APPENDIX B - SCOPE OF EXAMINATION TABLE

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED		Lending: January 1, 2019 – December 31, 2020 Community Development Activity: September 30, 2018 – December 31, 2021	
FINANCIAL INSTITUTION Metropolitan Commercial Bank 99 Park Avenue New York, New York 10016			PRODUCTS REVIEWED HMDA-Related Lending Small Business Lending Community Development Activities
AFFILIATE(S)	AFFILIATE RELATIONSHIP		PRODUCTS REVIEWED
N/A	N/A		N/A
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
MSA # 35620 (New York-Newark-Jersey City, NY-NJ-PA)	Full-scope Review	None	None

APPENDIX C - ASSESSMENT AREA MAP



APPENDIX D - 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 low- and moderate-income 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 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the 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 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography.

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

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

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during 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 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.