

# **PUBLIC DISCLOSURE**

January 17, 2022

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Dime Community Bank  
RSSD No. 23504

898 Veterans Memorial Highway, Suite 560  
Hauppauge, New York 11788

### **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: Outstanding***

*The following table indicates the performance level of Dime Community Bank with respect to the lending, investment, and service tests.*

### PERFORMANCE TEST RATINGS TABLE

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding	x		x
High Satisfactory		x	
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 follow:

#### LENDING TEST

- Lending levels reflected good responsiveness to Assessment Area (AA) credit needs.
- A substantial majority of loans were made in the bank's AA.
- The geographic distribution of loans reflected good penetration throughout the AA.
- The distribution of borrowers reflected, given the product lines offered, adequate penetration among customers of different income levels and businesses of different sizes.

- The bank exhibited a good record of serving the credit needs of low-income individuals and areas and very small businesses.
- The bank was a leader in making community development loans.
- The bank made use of innovative and/or flexible lending practices in serving AA credit needs.

#### INVESTMENT TEST

- The bank made a significant level of qualified Community Development (CD) investments and grants, particularly those not routinely provided by private investors, occasionally in a leadership position.
- The bank made significant use of innovative and/or complex investments to support CD initiatives.
- The bank exhibited excellent responsiveness to credit and CD needs.

#### SERVICE TEST

- Delivery systems are readily accessible to the bank's geographies and individuals of different income levels in its assessment area (AA).
- The bank's record of opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income (LMI) geographies and/or LMI individuals.
- Services are tailored to convenience and needs of its AA, particularly LMI geographies and/or LMI individuals.
- The bank is a leader in providing CD services.

## INSTITUTION

### DESCRIPTION OF INSTITUTION

Headquartered in Hauppauge, NY, Dime Community Bank ("Dime") is a full-service commercial bank and the sole bank subsidiary of Dime Community Bancshares, Inc and represents the merged institutions of the Legacy BNB ("L-BNB") and Legacy Dime ("L-Dime"). As of June 30, 2021, the bank had total assets of \$12.7 billion, net loans and leases of \$11 billion, total deposits of \$11.5 billion, and total real estate loans of \$705 million. Throughout the period of evaluation, Dime maintained 64 full-service branch locations with onsite ATMs, 1 drive-thru branch, 1 limited-service branch, 11 stand-alone ATMs, including one seasonal stand-alone ATM, and 3 loan production offices. The main location has two full service, 24-hour ATMs. The bank offers traditional retail and commercial banking products such as home purchase, refinance, HELOC, multi-family, consumer loans, commercial loans, and loans to small businesses. Dime's assessment area has contiguous counties, consisting of the entirety of MD 35004 (Nassau County-Suffolk County, NY) and a portion of MD 35614 (New York-Jersey City-White Plains, NY-NJ). As such, Dime's AA includes Nassau and Suffolk Counties in MD 35004 (Nassau County-Suffolk County, NY), and Bronx, Kings, New York, and Queens Counties in MD 35614 (New York-Jersey City-White Plains, NY-NJ).

L-BNB and L-Dime completed a merger effective February 1, 2021. While BNB was the surviving entity, the bank rebranded as Dime Community Bank. Prior to the merger, L-BNB operated 38 branches in Long Island and in New York City, New York. L-BNB offered a variety of credit products to consumers and businesses. Consumer products included residential mortgages (fixed and adjustable rate), home equity loans and lines of credit, and unsecured personal loans. Commercial products included commercial mortgages, term loans, lines of credit, construction loans, equipment lines, SBA 7A and 504 loans to small businesses.

L-BNB operated in a competitive market with branches of numerous local, regional, and national banks operating in the bank's assessment area. Local peer banks included Ridgewood Savings Bank, People's United Bank, Sterling National Bank, New York Community Bank, and First National Bank of Long Island and L-Dime. In terms of deposit market share, L-BNB had 0.23% of the deposit market share in their assessment area as of June 30, 2020, with \$5.1 billion in deposits. The bank's deposit level was ranked 36<sup>th</sup> in MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA). At the previous CRA examination, L-BNB was rated "Satisfactory" by the Federal Reserve Bank of New York.

Prior to the merger, L-Dime was evaluated for CRA in 2020 by The Federal Deposit Insurance Corporation (FDIC). L-Dime was rated "Satisfactory" by the FDIC.

L-Dime was a commercial bank located and headquartered in Brooklyn, New York. The bank operated 27 full-service branches across New York City and Long Island, with a similar footprint to that of L-BNB. L-Dime offered personal banking products, such as checking and savings accounts, debit cards, money market accounts, certificates of deposit, and vacation and holiday club accounts. Retirement planning products included IRAs and Keogh accounts for the self-employed. Other products included merchant services/lockbox, safe deposit boxes, direct deposit and payments, mobile and online banking, and banking by phone and mail. Historically, L-Dime engaged in multi-family lending. In 2018, L-Dime resumed

origination of residential mortgage loans, focusing on 1-4 family residential lending, while remaining active in multi-family originations as part of L-Dime’s lending strategy.

According to the Deposit Market Share Report as of June 30, 2020, L-Dime had a market share of 0.21%, or \$4.6 billion, in a market of \$1.4 trillion, ranking it 40<sup>th</sup> in a competitive assessment area.

Based on the June 30, 2021, FFIEC Consolidated Report of Condition and Income ("Call Report"), Dime’s loan portfolio by dollar volume is a mix of residential real estate and commercial categories. The bank’s multifamily portfolio made up approximately 31.8% or \$3.5 billion of total loans as of June 30, 2021. Nonfarm nonresidential made up 33.5% or approximately \$3.7 billion, commercial and industrial loans made up 21.1% or \$2.3 billion. The remaining loan portfolio is comprised of a mix of consumer, 1-4 residential real estate secured, and construction loans summarized in the following table:

<b>Loan Type</b>	<b>Total Loans &amp; Leases</b>	<b>Percent of Total Loans &amp; Leases</b>
1-4 Residential Real Estate Secured	\$705,930,000	6.4%
Construction	\$290,466,000	2.6%
Multifamily Dwelling	\$3,512,980,000	31.8%
HELOCs	\$68,547,000	0.6%
Consumer	\$22,756,000	0.2%
Agriculture	\$426,000,000	3.9%
Commercial & Industrial	\$2,329,932,000	21.1%
Nonfarm Nonresidential Secured	\$3,697,790,000	33.5%
Other	\$520,000	0.0%
<b>Total</b>	<b>\$11,054,401,000</b>	<b>100.0%</b>

\*Data as of June 30, 2021

Based on the same June 30, 2021, Call Report, Dime’s deposit portfolio by dollar volume was concentrated in MMDA (31.9%) or \$3.7 billion and “other savings deposits” (42.0%) or \$4.8 billion. The remaining deposits were time deposits with the least concentration in NOW and ATS accounts:

<b>Deposit Type</b>	<b>Total Deposits</b>	<b>Percent of Total Deposits</b>
Demand Deposits	\$1,080,360,000	9.4%
All Now & ATS Accounts	\$255,741,000	2.2%
Money Market Deposit Accounts	\$3,670,090,000	31.9%
Other Savings Deposits	\$4,833,197,000	42.0%
Time Deposits at or below Insurance Level	\$958,722,000	8.3%
Time Deposits over Insurance Level	\$342,242,000	3.0%
Brokered Deposits	\$372,283,000	3.2%
<b>Total</b>	<b>\$11,512,635,000</b>	<b>100.0%</b>

\*Data as of June 30, 2021

The merged entity, Dime, has one assessment area for CRA purposes, which was located within MSA 35620 (New York-Newark-New Jersey, NY-NJ-PA). The assessment area includes one full and one partial metropolitan division (MD). At the time of the merger, L-BNB and L-Dime had aligned assessment areas, as L-BNB eliminated Richmond County (Staten Island) from its CRA Assessment Area in July of 2019. Dime's delineated assessment area was comprised of 6 full counties within two MDs.

In 2019, MD 35154 (New Brunswick-Lakewood, NJ) was created, which is a subdivision of MSA 35620. When this MD was created, Middlesex, Monmouth, and Ocean counties in NJ were removed from MD 35614 (New York – Jersey City – White Plains, NY – NY) and added to this new MD; however, the counties directly impacted were not part of the bank's assessment area.

During the evaluation period, L-Dime and L-BNB closed 2 branches in Kings and Suffolk Counties, neither of which were located in a low- or moderate-income census tract. The branching detail within the assessment area was as follows:

- Four branches were located in low-income census tracts;
- Eight branches were located in moderate-income census tracts;
- Thirty-one branches were located in middle-income census tracts (1 closed 1/5/2020);
- Twenty branches were located in upper-income census tracts (1 closed on 2/14/2020); and
- One branch was in a census tract with an unknown income level.

## **SCOPE OF EXAMINATION**

### **Procedures**

Dime's CRA performance was reviewed using the Federal Financial Institutions Examination Council's (FFIEC) Interagency CRA Procedures for Large Retail Financial Institutions, which consists of 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**

Home purchase, refinance, multifamily and home improvement loans reportable under the Home Mortgage Disclosure Act ("HMDA") and small business and small farm loans reportable under CRA were analyzed for overall lending activity. Examiners verified the integrity of the 2018, 2019, and 2020 HMDA and small business loan data reported for L-BNB, 2020 HMDA and small business loan data for L-Dime, and 2021 HMDA and small business loan data for Dime. Small farm loans were not analyzed for geographic and borrower loan distribution throughout the evaluation period given that the bank's originations were not material. Multi-family loans considered in the retail lending test were also considered in the evaluation of community development lending.

The bank also made a large volume of Paycheck Protection Loans during the review period within the assessment area, which demonstrated leadership in serving AA credit needs during a period of acute and immediate credit needs attributable to the pandemic.

### **Evaluation Period**

The below chart outlines the components included in the evaluation, due to the merger and different prior exam periods.

EVALUATION PERIOD	
Retail Lending Test January 1, 2018 – December 31, 2020	L-BNB: 2018, 2019, and 2020
CD Loans, CD Investments and Retail and CD Services July 1, 2018 – December 31, 2021	L-BNB: 2018, 2019, and 2020 L-Dime: 2020 Dime Community Bank: 2021

### **Lending Analysis**

The analyses of borrower and geographic distribution were based on loans made in Dime's assessment area. To evaluate the geographic distribution of HMDA-related loans, the proportions of loan originations in LMI and non-LMI geographies were compared with the proportions of owner-occupied housing units or multi-family properties in LMI and non-LMI geographies. With regard to small business loans, the analysis compared the proportion of loan originations with the proportions of businesses located in LMI and non-LMI geographies as reported by Dun and Bradstreet ("D&B"). Performance with respect to geographic distribution in low-income geographies was analyzed separately from performance in moderate-income geographies.

In order to analyze the borrower characteristics of HMDA-related loans, the proportions of originations to LMI and non-LMI borrowers was compared with the proportions of LMI and non-LMI families in the assessment area. Income estimates from the FFIEC were used to categorize borrower income. FFIEC-adjusted median family income figures were used to categorize borrower income levels for 2018, 2019, and 2020 loans respectively.

For small business loans, D&B data for 2018, 2019, and 2020 were used for demographic information relating to the proportion of businesses with gross annual revenues (GAR) of less than or equal to \$1 million. The size of the small business loans was also used as a proxy to identify lending to smaller businesses.

Borrower profile and geographic distribution analyses were also based on L-BNB's 2018-2020 performance, which was compared, respectively, to 2018-2020 lending activity for the aggregate of all reporters in the assessment area. Aggregate lenders included all lenders required to report HMDA and CRA small business lending data within the assessment area.

Significant consideration was given to activity that was conducted to address credit needs arising from the pandemic within the assessment area.

### **Community Development Activity Analysis**

Community development activities were sampled and 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. 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.

Of note, of the \$1.4 billion community development lending activity that was submitted, \$1.1 billion was sampled and qualified; the results in the Performance Evaluation reflect the sampled population. All community development investments were reviewed for qualification. Community development services were sampled and the results in the Performance Evaluation reflect the sampled population. In addition, and 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 were also given significant consideration, especially for loans made within the assessment area. 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.

### **Deriving Overall Conclusions**

Before reaching a conclusion about the overall performance regarding geographic distribution and borrower characteristics in the assessment area, examiners compared loan originations in each loan product category to total retail lending volume to determine the influence of performance by product on the overall conclusion.

### **Community Contacts**

Examiners conducted interviews with representatives of two community development organizations to gain an understanding of local credit needs. These interviews identified a need for more affordable housing and support for economic development.

The first contact was with a non-profit association representing the affordable housing industry in New York State. The organization sought to address the affordable housing crisis through research and by working with partners in government to ensure that affordable housing programs are cost effective and meet the needs of the community in and around the state. The contact stated that the largest need is for funding for affordable housing throughout the state but especially in the metro New York City area.

The second contact was with an organization that focuses on improving low- and moderate- income workers' financial health at scale through financial coaching, employer technical assistance, and advocacy for systems and policy. The contact stated that they serve approximately 88% of clients that are LMI. The contact indicated that many LMI individuals served by the organization were significantly impacted by the pandemic. Of note, the contact indicated that evictions may be a concern, but that no immediate issues were identified for the timeframe.

## **PERFORMANCE CONTEXT**

The following demographic and economic information were used to describe the assessment area and to evaluate the context in which L-BNB and Dime operate. Information was obtained from publicly available sources including the 2015 ACS, FFIEC, D&B, National Association of Realtors ("NAR"), the U.S. Department of Labor ("DOL"), and the U.S. Department of Housing and Urban Development ("HUD").

### Demographic Characteristics

Based on the 2015 ACS and according to the 2018 FFIEC Census data, the MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA) included Bronx County, Kings County, Nassau County, New York County, Queens County and Suffolk County. The population of the assessment area was 10,810,247. The assessment area consisted of 2,664 census tracts, of which 356 or 13.4% were low-income, 693 or 26.0% were moderate-income, 946 or 35.5% were middle-income, 596 or 22.4% were upper-income, and 73 or 2.7% were of unknown-income.

After the realignment of census tracts in 2019, the population of the assessment area was 10,810,247. The assessment area consisted of 2,664 census tracts, of which 298 or 11.2% were low-income, 658 or 24.7% were moderate-income, 965 or 36.2% were middle-income, 670 or 25.2% were upper-income, and 73 or 2.7% were of unknown-income.

### Income Characteristics

Based on the 2015 ACS data, and according to the 2018 FFIEC Census data, the MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA) assessment area had 2,447,961 families, of which 29.8% were low-income (14.1% of which were below the poverty level), 16.8% were moderate-income, 17.5% were middle-income, and 35.9% were upper-income.

After the realignment of census tracts in 2019, the MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA) assessment area had 2,447,961 families, of which 28.3% were low-income (14.1% of which were below the poverty level), 16.5% were moderate-income, 17.6% were middle-income, and 37.6% were upper-income.

The FFIEC median family incomes for counties comprising the MSA as of the 2015 ACS were as follows:

<b>MSA 35620 - 2019 Median Family Income Change</b>			
<b>Area</b>	<b>2010 Median Family Income</b>	<b>2015 Median Family Income</b>	<b>Percent Change</b>
MSA 35620	\$72,197	\$70,490	-2.36%
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%
Suffolk County, NY	\$104,779	\$102,582	-2.10%
Nassau County-Suffolk County, NY MD 35004	\$110,575	\$108,193	-2.15%
New York-Jersey City-White Plains, NY-NJ MD 35614	\$86,345	\$67,560	-21.76%

New York State	\$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, in 2019 the MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA) assessment area had 4,281,539 housing units, of which 37.9% were owner-occupied, 52.8% were rental, and 9.3% were vacant. Of the total housing units, 12.4% were in low-income tracts, 25.0% in moderate-income tracts, 33.1% in middle-income tracts, 29.2% in upper-income tracts, and 0.2% in unknown-income tracts. In low-income census tracts, 8.4% of housing units were owner-occupied, 85.0% were rental units, and 6.6% were vacant. In moderate-income census tracts, 24.3% of housing units were owner-occupied, 66.8% were rental units, and 8.9% were vacant.

The median age of housing stock in the assessment area was 61 years old, with 45.7% of the stock built before 1950. The median age of housing stock was 61 years in low-income tracts and 61 years in moderate-income tracts. According to the ACS data the median housing value in the assessment area was \$453,224, which is a downward change from the 2010 Census, with an affordability ratio of 13.5. The median gross rent in the assessment area was \$1,283 per month.

<b>Housing and Affordability</b>			
<b>Geographic Area</b>	<b>2015 Median Housing Value</b>	<b>2015 Affordability Ratio</b>	<b>2015 Median Gross Rent</b>
Assessment Area	\$453,224	13.50	\$1,283
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
Suffolk County, NY	\$375,100	23.64	\$1,544
Nassau County – Suffolk County, NY MD 35004	\$406,895	22.91	\$1,559
New York-Jersey City-White Plains, NY-NJ MD 35614	\$461,711	12.86	\$1,261
New York State	\$283,400	20.91	\$1,132
<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 Cost Burden

Housing costs were relatively expensive in the assessment area and community contacts indicated that affordable housing for LMI individuals and families continued to be a challenge. According to HUD’s most recently released Comprehensive Housing Affordability Strategy data that covers the 2013-2018 timeframe, within the assessment area, 49.4% of all rental households had rental costs that exceeded 30% of their incomes, 77.1% of low-income rental households had rental costs that exceeded 30% of their income, and 49.5% of moderate-income rental households had rental costs that exceeded 30% of their income in 2019 and 2020.

<b>Housing Cost Burden 2019 &amp; 2020</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>
MSA 35620	77%	49%	49%	78%	55%	35%
Bronx County, NY	78%	35%	56%	70%	44%	36%
Kings County, NY	77%	48%	50%	76%	55%	39%
Nassau County, NY	78%	59%	51%	84%	64%	35%
New York County, NY	71%	52%	42%	60%	44%	21%
Queens County, NY	82%	58%	51%	75%	51%	37%
Suffolk County, NY	80%	62%	54%	84%	62%	37%
Nassau County-Suffolk County, NY MD 35004	79%	61%	53%	84%	63%	36%
New York-Jersey City-White Plains, NY-NJ MD 35614	77%	50%	49%	77%	56%	35%
New York State	77%	46%	48%	73%	45%	28%

*\*Cost Burden is housing cost that equals 30 percent or more of household income.  
Source: U.S. Department of Housing and Urban Development (HUD), 2013 – 2017 Comprehensive Housing Affordability Strategy.*

In 2018, 35.3% of homeowners had housing costs that exceeded 30% of their incomes, 77.7% of low-income homeowners had housing costs that exceeded 30% of their income, and 55.2% of moderate-income homeowners had housing costs that exceeded 30% of their income.

<b>Housing Cost Burden 2018</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>
MSA 35620	77%	49%	49%	78%	55%	35%

Bronx County, NY	78%	35%	56%	70%	44%	36%
Kings County, NY	77%	48%	50%	76%	55%	39%
Nassau County, NY	78%	59%	51%	84%	64%	35%
New York County, NY	71%	52%	42%	60%	44%	21%
Queens County, NY	82%	58%	51%	75%	51%	37%
Suffolk County, NY	80%	62%	54%	84%	62%	37%
Nassau County-Suffolk County, NY MD 35004	79%	61%	53%	84%	63%	36%
New York-Jersey City-White Plains, NY-NJ MD 35614	78%	50%	49%	78%	55%	34%
New York State	77%	46%	48%	73%	45%	28%
*Cost Burden is housing cost that equals 30 percent or more of household income. Source: U.S. Department of Housing and Urban Development (HUD), 2013 – 2017 Comprehensive Housing Affordability Strategy.						

### Labor, Employment and Economic Characteristics

According to D&B data, in 2018, there were 519,908 businesses operating in the assessment area of which 8.1% were in low-income census tracts and 18.2% were in moderate-income tracts. Of the total businesses operating in the assessment area, 89.8% were small businesses with a gross annual revenue ("GAR") of \$1 million or less, of which 8.4% were in low-income geographies and 18.8% were in moderate-income geographies.

In 2019, there were 522,160 businesses operating in the assessment area in 2019, of which 6.2% were in low-income census tracts and 18.1% were in moderate-income tracts. Of the total businesses operating in the assessment area, 90.1% were small businesses with a gross annual revenue ("GAR") of \$1 million or less, of which 6.4% were in low-income geographies and 18.6% were in moderate-income geographies.

In 2020, there were 528,704 businesses operating in the assessment area of which 6.2% were in low-income census tracts and 18.2% were 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 6.4% were in low-income geographies and 18.7% were in moderate-income geographies.

The COVID-19 pandemic greatly impacted the assessment area's residents and businesses. Since the start of the pandemic, the assessment area faced an approximately 8% increase in the unemployment rate (from 3.8% to 11.3%). Many residents and businesses did not have stable income sources during COVID-19 shutdowns. Given the assessment area's extremely densely populated counties, the population was medically at-risk until a vaccine was widely available. All of these factors increased the need for immediate funding for economic stability of the geographic region.

Specific to unemployment, according to the U.S. Bureau of Labor Statistics, unemployment in the assessment area was 4.0% in 2018, decreased to 3.8% in 2019, and increased to 11.3% in 2020. The state of New York had an unemployment rate of 4.1% in 2018, decreased to 3.8% in 2019, and increased to 10.0% in 2020. Bronx County within the assessment area had the highest annual unemployment rates including the highest unemployment rate within the assessment area in 2020 at 16%. High unemployment rates can be attributed to the COVID-19 pandemic:

<b>Annual Unemployment Rates</b>			
<b>Area</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Assessment Area	4.00%	3.75%	11.28%
Bronx County, NY	5.65%	5.26%	16.03%
Kings County, NY	4.21%	3.99%	12.53%
Nassau County, NY	3.51%	3.29%	8.43%
New York County, NY	3.66%	3.42%	9.54%
Queens County, NY	3.59%	3.39%	12.53%
Suffolk County, NY	3.83%	3.54%	8.50%
Nassau County-Suffolk County, NY MD 35004	3.68%	3.42%	8.46%
New York-Jersey City-White Plains, NY-NJ MD 35614	4.02%	3.71%	11.49%
New York State	4.10%	3.83%	9.99%
<i>Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics</i>			

### Combined Demographics Report

Assessment Area(s): Dime Community-BNB Bank Assessment Area - 2020 - 2019

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	298	11.2	327,540	13.4	124,673	38.1	692,889	28.3
Moderate-income	658	24.7	631,313	25.8	123,997	19.6	404,010	16.5
Middle-income	965	36.2	892,006	36.4	71,537	8	431,123	17.6
Upper-income	670	25.2	594,018	24.3	25,295	4.3	919,939	37.6
Unknown-income	73	2.7	3,084	0.1	434	14.1	0	0
<b>Total Assessment Area</b>	<b>2,664</b>	<b>100.0</b>	<b>2,447,961</b>	<b>100.0</b>	<b>345,936</b>	<b>14.1</b>	<b>2,447,961</b>	<b>100.0</b>
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	529,447	44,288	2.7	8.4	450,212	85	34,947	6.6
Moderate-income	1,071,142	260,664	16.1	24.3	715,028	66.8	95,450	8.9
Middle-income	1,419,013	754,583	46.5	53.2	541,673	38.2	122,757	8.7
Upper-income	1,251,453	561,513	34.6	44.9	544,990	43.5	144,950	11.6
Unknown-income	10,484	2,469	0.2	23.6	6,820	65.1	1,195	11.4
<b>Total Assessment Area</b>	<b>4,281,539</b>	<b>1,623,517</b>	<b>100.0</b>	<b>37.9</b>	<b>2,258,723</b>	<b>52.8</b>	<b>399,299</b>	<b>9.3</b>
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	32,892	6.2	30,579	6.4	2,075	4.5	238	5.7
Moderate-income	96,394	18.2	89,639	18.7	6,161	13.4	594	14.2
Middle-income	171,763	32.5	158,633	33.2	11,924	25.9	1,206	28.7
Upper-income	216,489	40.9	191,204	40	23,251	50.4	2,034	48.5
Unknown-income	11,166	2.1	8,328	1.7	2,713	5.9	125	3
<b>Total Assessment Area</b>	<b>528,704</b>	<b>100.0</b>	<b>478,383</b>	<b>100.0</b>	<b>46,124</b>	<b>100.0</b>	<b>4,197</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>			<b>90.5</b>		<b>8.7</b>		<b>.8</b>	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	85	5.5	82	5.5	3	6	0	0
Moderate-income	327	21.1	313	20.8	14	28	0	0
Middle-income	532	34.3	517	34.4	15	30	0	0
Upper-income	588	37.9	572	38.1	16	32	0	0
Unknown-income	21	1.4	19	1.3	2	4	0	0
<b>Total Assessment Area</b>	<b>1,553</b>	<b>100.0</b>	<b>1,503</b>	<b>100.0</b>	<b>50</b>	<b>100.0</b>	<b>0</b>	<b>.0</b>
<b>Percentage of Total Farms:</b>			<b>96.8</b>		<b>3.2</b>		<b>.0</b>	

## Combined Demographics Report

Assessment Area(s): MSA 35620 - 2019

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	298	11.2	327,540	13.4	124,673	38.1	692,889	28.3
Moderate-income	658	24.7	631,313	25.8	123,997	19.6	404,010	16.5
Middle-income	965	36.2	892,006	36.4	71,537	8	431,123	17.6
Upper-income	670	25.2	594,018	24.3	25,295	4.3	919,939	37.6
Unknown-income	73	2.7	3,084	0.1	434	14.1	0	0
<b>Total Assessment Area</b>	<b>2,664</b>	<b>100.0</b>	<b>2,447,961</b>	<b>100.0</b>	<b>345,936</b>	<b>14.1</b>	<b>2,447,961</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	529,447	44,288	2.7	8.4	450,212	85	34,947	6.6
Moderate-income	1,071,142	260,664	16.1	24.3	715,028	66.8	95,450	8.9
Middle-income	1,419,013	754,583	46.5	53.2	541,673	38.2	122,757	8.7
Upper-income	1,251,453	561,513	34.6	44.9	544,990	43.5	144,950	11.6
Unknown-income	10,484	2,469	0.2	23.6	6,820	65.1	1,195	11.4
<b>Total Assessment Area</b>	<b>4,281,539</b>	<b>1,623,517</b>	<b>100.0</b>	<b>37.9</b>	<b>2,258,723</b>	<b>52.8</b>	<b>399,299</b>	<b>9.3</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	32,515	6.2	30,164	6.4	2,159	4.5	192	5.2
Moderate-income	94,460	18.1	87,605	18.6	6,375	13.3	480	13
Middle-income	169,029	32.4	155,797	33.1	12,179	25.4	1,053	28.4
Upper-income	214,744	41.1	188,436	40.1	24,444	50.9	1,864	50.3
Unknown-income	11,412	2.2	8,475	1.8	2,823	5.9	114	3.1
<b>Total Assessment Area</b>	<b>522,160</b>	<b>100.0</b>	<b>470,477</b>	<b>100.0</b>	<b>47,980</b>	<b>100.0</b>	<b>3,703</b>	<b>100.0</b>
	<b>Percentage of Total Businesses:</b>			<b>90.1</b>		<b>9.2</b>		<b>.7</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	88	5.5	84	5.4	4	7.7	0	0
Moderate-income	325	20.2	312	20.1	13	25	0	0
Middle-income	583	36.2	565	36.3	17	32.7	1	100
Upper-income	599	37.2	582	37.4	17	32.7	0	0
Unknown-income	14	0.9	13	0.8	1	1.9	0	0
<b>Total Assessment Area</b>	<b>1,609</b>	<b>100.0</b>	<b>1,556</b>	<b>100.0</b>	<b>52</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>
	<b>Percentage of Total Farms:</b>			<b>96.7</b>		<b>3.2</b>		<b>.1</b>



### Combined Demographics Report

Assessment Area(s): Dime Community-BNB Bank Assessment Area - 2018

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low-income	356	13.4	391,128	16	142,627	36.5	728,511	29.8
Moderate-income	693	26	645,229	26.4	117,400	18.2	411,384	16.8
Middle-income	946	35.5	868,016	35.5	64,285	7.4	429,035	17.5
Upper-income	596	22.4	540,504	22.1	21,190	3.9	879,031	35.9
Unknown-income	73	2.7	3,084	0.1	434	14.1	0	0
<b>Total Assessment Area</b>	<b>2,664</b>	<b>100.0</b>	<b>2,447,961</b>	<b>100.0</b>	<b>345,936</b>	<b>14.1</b>	<b>2,447,961</b>	<b>100.0</b>
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied		Rental		Vacant		
		#	%	%	#	%	#	%
Low-income	640,101	55,177	3.4	8.6	540,879	84.5	44,045	6.9
Moderate-income	1,089,298	288,427	17.8	26.5	704,196	64.6	96,675	8.9
Middle-income	1,383,056	759,181	46.8	54.9	504,865	36.5	119,010	8.6
Upper-income	1,158,600	518,263	31.9	44.7	501,963	43.3	138,374	11.9
Unknown-income	10,484	2,469	0.2	23.6	6,820	65.1	1,195	11.4
<b>Total Assessment Area</b>	<b>4,281,539</b>	<b>1,623,517</b>	<b>100.0</b>	<b>37.9</b>	<b>2,258,723</b>	<b>52.8</b>	<b>399,299</b>	<b>9.3</b>
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	42,304	8.1	39,309	8.4	2,755	5.6	240	6.4
Moderate-income	94,764	18.2	87,601	18.8	6,622	13.4	541	14.4
Middle-income	167,755	32.3	154,243	33	12,448	25.3	1,064	28.3
Upper-income	204,030	39.2	177,654	38.1	24,566	49.8	1,810	48.1
Unknown-income	11,055	2.1	8,052	1.7	2,895	5.9	108	2.9
<b>Total Assessment Area</b>	<b>519,908</b>	<b>100.0</b>	<b>466,859</b>	<b>100.0</b>	<b>49,286</b>	<b>100.0</b>	<b>3,763</b>	<b>100.0</b>
<b>Percentage of Total Businesses:</b>			<b>89.8</b>		<b>9.5</b>		<b>.7</b>	
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	#
Low-income	105	6.8	101	6.8	4	7.4	0	0
Moderate-income	303	19.7	290	19.6	13	24.1	0	0
Middle-income	570	37.1	552	37.2	17	31.5	1	100
Upper-income	545	35.5	526	35.5	19	35.2	0	0
Unknown-income	14	0.9	13	0.9	1	1.9	0	0
<b>Total Assessment Area</b>	<b>1,537</b>	<b>100.0</b>	<b>1,482</b>	<b>100.0</b>	<b>54</b>	<b>100.0</b>	<b>1</b>	<b>100.0</b>
<b>Percentage of Total Farms:</b>			<b>96.4</b>		<b>3.5</b>		<b>.1</b>	

## CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

### LENDING TEST

Dime Community Bank's overall performance in meeting the credit needs of its assessment area is rated *Outstanding*.

Lending levels reflected good responsiveness to Assessment Area (AA) credit needs. A substantial majority of loans were made in the bank's AA, and the geographic distribution of loans reflected good penetration throughout the AA. The distribution of borrowers reflected, given the product lines offered, adequate penetration among customers of different income levels and businesses of different sizes. The bank exhibited a good record of serving the credit needs of low-income individuals and areas and very small businesses. Of note, the bank had a substantial majority of its lending within the assessment area, the bank was a leader in making CD loans, and made use of innovative and/or flexible lending practices in serving AA credit needs; these items were given additional weight due to the acute need and extension of credit to small businesses during the COVID-19 pandemic.

#### Lending Activity

The bank's responsiveness to the retail credit needs of its assessment area was good, given the bank's capacity to meet assessment area credit needs relative to the overall market conditions and performance context factors. Overall, 6,274 home purchase, refinance, home improvement, multifamily, small business and small farm loans were made during the evaluation period, totaling approximately \$2 billion.

The bank's loan origination volumes were comparable in relation to other HMDA and CRA reporters in MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA). In 2020, L-BNB ranked 157<sup>th</sup> in HMDA lending out of 462 HMDA reporting institutions and the bank ranked 14<sup>th</sup> in small business lending out of 399 CRA reporting institutions. Peer comparisons based on the number of loans per billion dollars of deposits indicated that the bank's performance was comparable with the lending volume of peer banks.

<b>Legacy BNB Summary of Lending Activity January 1, 2018 – December 31, 2020</b>				
<b>Loan Type</b>	<b>#</b>	<b>%</b>	<b>\$(000s)</b>	<b>%</b>
Home Purchase	147	2.3%	87,471	4.4%
Home Improvement	2	0.0%	832	0.0%
Multi-Family	162	2.6%	641,269	32.5%
Refinancing	210	3.3%	133,199	6.7%
Other Purposes Closed-End	12	0.2%	6,457	0.3%
<b>Total HMDA</b>	<b>533</b>	<b>8.4%</b>	<b>869,228</b>	<b>43.9%</b>
<b>Small Business</b>	<b>5,730</b>	<b>91.4%</b>	<b>1,104,020</b>	<b>56.1%</b>

<b>Small Farm</b>	<b>11</b>	<b>0.2%</b>	<b>600</b>	<b>0.0%</b>
<b>TOTAL LOANS</b>	<b>6,274</b>	<b>100.0%</b>	<b>1,973,848</b>	<b>100.0%</b>

### Assessment Area Concentration

A substantial majority of the loans originated by the bank were extended in the bank’s assessment area, as detailed in the following table. Throughout the evaluation period, the bank originated 95.8% by number and 93.9% by dollar volume to individuals residing in, and businesses operating in the assessment area. For HMDA-related lending, 85.4% by number and 91.0% by dollar volume were made in the assessment area. Similarly, 96.8% of small business loans by number and 96.3% by dollar volume were made in the assessment area; this activity by the bank reflected the ability to address acute credit needs of small businesses within the assessment area arising from the pandemic.

<b>Lending Inside and Outside the Assessment Area</b>												
January 1, 2018 – December 31, 2020												
Loan Type	Inside				Outside				Total			
	#	%	\$(000s)	%	#	%	\$(000s)	%	#	%	\$(000s)	%
Home Purchase	114	77.6	75,282	86.1	33	22.4	12,189	13.9	147	100.0	87,471	100.0
Home Improvement	2	100.0	832	100.0	0	0.0	0	0.0	2	100.0	832	100.0
Multi-Family Housing	155	95.7	600,915	93.7	7	4.3	40,354	6.3	162	100.0	641,269	100.0
Other Purpose Closed-End	11	91.7	5,707	88.4	1	8.3	750	11.6	12	100.0	6,457	100.0
Refinancing	173	82.4	108,329	81.3	37	17.6	24,870	18.7	210	100.0	133,199	100.0
<b>Total HMDA</b>	<b>455</b>	<b>85.4</b>	<b>791,065</b>	<b>91.0</b>	<b>78</b>	<b>14.6</b>	<b>78,163</b>	<b>9.0</b>	<b>533</b>	<b>100.0</b>	<b>869,228</b>	<b>100.0</b>
<b>Small Business</b>	<b>5,546</b>	<b>96.8</b>	<b>1,062,737</b>	<b>96.3</b>	<b>184</b>	<b>3.2</b>	<b>41,283</b>	<b>3.7</b>	<b>5,730</b>	<b>100.0</b>	<b>1,104,020</b>	<b>100.0</b>
<b>Small Farm</b>	<b>10</b>	<b>90.9</b>	<b>513</b>	<b>85.5</b>	<b>1</b>	<b>9.1</b>	<b>87</b>	<b>14.5</b>	<b>11</b>	<b>100.0</b>	<b>600</b>	<b>100.0</b>
<b>TOTAL LOANS</b>	<b>6,011</b>	<b>95.8</b>	<b>1,854,315</b>	<b>93.9</b>	<b>263</b>	<b>4.2</b>	<b>119,533</b>	<b>6.1</b>	<b>6,274</b>	<b>100.0</b>	<b>1,973,848</b>	<b>100.0</b>

### Lending Gap Analysis

During the evaluation period legacy BNB’s penetration in low- and moderate-income tract levels increased to 45% in 2020. In 2019, the bank’s penetration in low- and moderate- income tract levels was 24% and in 2018, the bank’s penetration in low- and moderate- income census tracts was 18%. The bank has consistently increased penetration year over year since 2018.

Based on 2015 ACS data, the assessment area included portions of Bronx County, Kings County, Nassau County, New York County, Queens County and Suffolk County. According to the 2015 ACS, the assessment area consisted of 2,664 census tracts, of which 356 or 13.4% were low-income, 693 or 26.0% were moderate-income, 946 or 35.5% were middle-income, 596 or 22.4% were upper-income, and 73 or 2.7% were of unknown-income. After the realignment of the assessment area, it consisted of 2,664 census tracts, of which 298 or 11.2% were low-income, 658 or 24.7% were moderate-income, 965 or 36.2% were middle-income, 670 or 25.2% were upper-income, and 73 or 2.7% were of unknown-income.

<b>January 1, 2018 - December 31, 2020</b>			
<b>Tract Income Levels</b>	<b>Number of Tracts</b>	<b>Tracts with no Loans</b>	<b>Penetration</b>
<b>2018</b>			
Low	356	335	6%
Moderate	693	612	12%
Middle	946	790	16%
Upper	596	500	16%
Income Unknown	73	71	3%
<b>2019</b>			
Low	298	270	9%
Moderate	658	561	15%
Middle	965	782	19%
Upper	670	559	17%
Income Unknown	73	71	3%
<b>2020</b>			
Low	298	247	17%
Moderate	658	476	28%
Middle	965	564	42%
Upper	670	367	45%
Income Unknown	73	65	11%

### **Geographic Distribution of Loans**

The bank's overall geographic distribution of HMDA-related and small business loans reflected good penetration throughout the New York-Newark-Jersey City, NY-NJ-PA (MSA 35620) assessment area. Lending penetration in LMI tracts was excellent for home purchase, good for refinance, poor for home improvement, good for multifamily, and good for small business. The bank's overall lending penetration was evaluated, taking into consideration its small market share in a large, heavily populated and heavily banked area. L-BNB had re-entered the 1-4 family mortgage lending market in 2016, with growth in 2017 and 2018. However, the strategic direction of the bank changed, and residential lending was greatly curtailed in 2019 and 2020.

The distribution of owner-occupied housing units throughout the assessment area is used as a proxy to estimate demand for 1-4 family residential mortgage lending and rental properties are used as a proxy to estimate demand for multi-family lending. According to 2015 ACS data and OMB data, the assessment area contained 4,281,539 housing units, 37.9% of which were owner-occupied, 52.8% of which were rental units, and 9.3% of which were vacant. In the assessment area, 8.4% of owner-occupied housing units were located in low-income census tracts and 24.3% in moderate-income tracts. For rental properties, over the review period, multi-family properties in low-income areas were either at or close to 85.0% and either 64.5% in 2018 or 66.8% in 2019 and 2020 for moderate-income tracts. Vacant properties accounted for 15.5% of all housing in low- and moderate-income tracts.

The percentage of businesses located within designated census tracts is used as a proxy to estimate demand for small business lending within such census tracts. Based on business data provided by Dun and Bradstreet for the years 2018, 2019, and 2020, 6.2% of the assessment area's businesses were in low-income tracts,

and 18.2% were in moderate-income tracts. The majority of businesses were located in middle-income tracts (34.3%) and upper-income (37.9%) tracts.

### *Home Purchase*

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

In 2020, home purchase lending performance in low-income census tracts was 4.0%, which was above the 2.7% of owner-occupied housing units located in low-income census tracts and above the aggregate, which made 2.9% by number and 2.5% by dollar volume in low-income census tracts. In 2020, the bank made 28.0% of home purchase loans by number and 16.4% by dollar volume in moderate-income census tracts. The bank's home purchase lending performance was significantly above the 16.1% of owner-occupied housing units located in moderate-income census tracts and was significantly above the aggregate, which made 16.7% by number and 14.0% by dollar of home purchase loans in moderate-income census tracts.

In 2019, home purchase lending performance in low-income census tracts was 4.1%, which was above the 2.7% of owner-occupied housing units located in low-income census tracts and above the aggregate, which made 3.1% by number and 2.9% by dollar volume in low-income census tracts. In 2019, the bank made 21.4% of home purchase loans by number and 25.5% by dollar volume in moderate-income census tracts. The bank's home purchase lending performance was above the 16.1% of owner-occupied housing units located in moderate-income census tracts and was slightly above the aggregate, which made 18.0% by number and 14.7% by dollar volume of home purchase loans in moderate-income census tracts.

In 2018, the bank made did not make any home purchase loans in low-income census tracts. Home purchase lending performance in low-income census tracts was significantly below the 3.4% of owner-occupied housing units located in low-income census tracts, and significantly below the aggregate, which made 4.1% by number and 3.9% by dollar volume in low-income census tracts. In 2018, the bank made 18.3% of home purchase loans by number and 12.9% by dollar volume in moderate-income census tracts. The bank's home purchase lending performance was similar to the 17.8% of owner-occupied housing units located in moderate-income census tracts and was similar to the aggregate, which made 19.6% by number and 16.4% by dollar of home purchase loans in moderate-income census tracts.

### *Refinance*

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

In 2020, the bank made 1.6% by number and 1.9% by dollar volume of refinance loans in low-income census tracts. The bank's refinance lending performance in low-income census tracts was below the 2.7% of owner-occupied housing units located in low-income census tracts and below the aggregate, which made 2.6% by number and 2.8% by dollar volume of refinance loans in low-income census tracts. In 2020, the bank made 13.9% by number and 13.4% by dollar of refinance loans in moderate-income census tracts. The bank's refinance lending performance in moderate-income census tracts was slightly below the 16.1% of owner-occupied housing units located in moderate-income census tracts and similar to the aggregate, which made 13.5% by number and 11.8% by dollar volume of refinance loans in moderate-income census tracts.

In 2019, the bank made 4.1% by number and 5.9% by dollar volume of refinance loans in low-income census tracts. The bank's refinance lending performance in low-income census tracts was above the 2.7% of owner-occupied housing units located in low-income census tracts and above the aggregate, which made 3.2% by number and 3.1% by dollar volume of refinance loans in low-income census tracts. In 2019, the

bank made 8.1% by number and 7.3% by dollar volume of refinance loans in moderate-income census tracts. The bank's refinance lending performance in moderate-income census tracts was below the 16.1% of owner-occupied housing units located in moderate-income census tracts and below the aggregate, which made 15.5% by number and 12.7% by dollar volume of refinance loans in moderate-income census tracts.

In 2018, the bank made 3.0% by number and 15.2% by dollar volume of refinance loans in low-income census tracts. The bank's refinance lending performance in low-income census tracts was slightly below the 3.4% of owner-occupied housing units located in low-income census tracts and below the aggregate, which made 4.4% by number. In 2018, the bank made 23.2% by number and 17.7% by dollar volume of refinance loans in moderate-income census tracts. The bank's refinance lending performance in moderate-income census tracts was above the 17.8% of owner-occupied housing units located in moderate-income census tracts and above the aggregate, which made 17.7% by number and 16.3% by dollar volume of refinance loans in moderate-income census tracts.

### *Home Improvement*

The geographic distribution of home improvement loans reflected poor penetration throughout the assessment area.

In 2020, the bank did not make any home improvement loans in low-income census tracts, which was significantly below the 2.7% of owner-occupied housing units located in low-income census tracts and significantly below the aggregate that made 1.9% by number and 1.7% by dollar volume of home improvement loans in low-income census tracts. In 2020, the bank did not make any home improvement loans in moderate-income census tracts. The bank's home improvement lending performance in moderate-income census tracts was significantly below the 16.1% of owner-occupied housing units located in moderate-income census tracts and significantly below the aggregate, which made 12.5% by number and 11.7% by dollar volume of home improvement loans in moderate-income census tracts.

In 2019, the bank did not make any home improvement loans in low-income census tracts. The bank's home improvement lending performance in low-income census tracts was significantly below the 2.7% of owner-occupied housing units located in low-income census tracts and significantly below the aggregate, which made 2.2% by number and 2.7% by dollar volume of home improvement loans in low-income census tracts. In 2019, the bank did not make any home improvement loans in moderate-income census tracts. The bank's home improvement lending performance in moderate-income census tracts was significantly below the 16.1% of owner-occupied housing units located in moderate-income census tracts and significantly below the aggregate, which made 12.5% by number and 12.3% by dollar volume of home improvement loans in moderate-income census tracts.

In 2018, the bank did not make any home improvement loans in low-income census tracts. The bank's home improvement lending performance in low-income census tracts was significantly below the 3.4% of owner-occupied housing units located in low-income census tracts and significantly below the aggregate, which made 2.9% by number and 4.2% by dollar volume of home improvement loans in low-income census tracts. In 2018, the bank did not make any home improvement loans in moderate-income census tracts. The bank's home improvement lending performance in moderate-income census tracts was significantly below the 17.8% of owner-occupied housing units located in moderate-income census tracts and significantly below the aggregate, which made 13.8% by number and 13.8% by dollar volume of home improvement loans in moderate-income census tracts.

### *Multifamily*

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

The bank's multifamily lending reflected good dispersion throughout the assessment area. In 2020, the bank made 10.4% and 9.4% by dollar of its multifamily loans in low-income geographies, which was below the aggregate lending performance of 15.8% and 13.4% by number and dollar respectively, as well as significantly below the 85.0% of rental housing units located in such geographies.

In moderate-income census tracts, the bank made 36.5% by number and 25.0% by dollar volume of multifamily loans. The bank's multifamily lending performance in moderate-income census tracts was similar to the aggregate, which made 33.6% by number and 26.7% by dollar volume of multifamily loans in moderate-income census tracts. Lending levels were significantly below the 66.8% of rental housing units located in such geographies.

In 2019, the bank made 17.1% and 22.5% by dollar of its multifamily loans in low-income geographies, which was slightly below the aggregate lending performance in comparison to the total volume of 17.7%, but above the total dollar volume of 15.7% by number and dollar respectively. Performance was significantly below the 85.0% of rental housing units located in such geographies.

In moderate-income census tracts, the bank made 32.4% by number and 22.5% by dollar volume of multifamily loans. The bank's multifamily lending performance in moderate-income census tracts was similar to the aggregate, which made 33.4% by number and 22.9% by dollar volume of multifamily loans in moderate-income census tracts. Lending levels were significantly below the 66.8% of rental housing units located in such geographies.

In 2018, the bank made 13.3% and 15.6% by dollar of its multifamily loans in low-income geographies, which was below the aggregate lending performance of 19.4% and 16.7% by number and dollar respectively, as well as significantly below the 84.5% of rental housing units located in such geographies.

In moderate-income census tracts, the bank made 39.8% by number and 43.4% by dollar volume of multifamily loans. The bank's multifamily lending performance in moderate-income census tracts was above the aggregate, which made 32.5% by number and 27.2% by dollar volume of multifamily loans in moderate-income census tracts. Lending levels were significantly below the 64.6% of rental housing units located in such geographies.

### *Small Business*

The geographic distribution of small business loans reflected good penetration throughout the assessment area. Lending to small businesses in low-income census tracts was below that of the area aggregate lenders, but above the area aggregate lenders in moderate-income census tracts.

In 2020, the bank made 1.9% by number and 2.0% by dollar volume of small business loans in low-income census tracts. The bank's small business lending performance in low-income census tracts was below the 6.2% of businesses located in low-income census tracts and below the aggregate, which made 6.6% by number and 5.2% by dollar volume of small business loans in low-income census tracts. In 2020, the bank made 22.2% by number and 22.7% by dollar volume of small business loans in moderate-income census tracts. The bank's small business lending performance in moderate-income census tracts was slightly above the 18.2% of businesses located in moderate-income census tracts and slightly above the aggregate, which made 18.1% by number and 15.2% by dollar volume of small business loans in moderate-income census tracts.

In 2019, the bank made 1.6% by number and 1.7% by dollar volume of small business loans in low-income census tracts. The bank's small business lending performance in low-income census tracts was below the 6.2% of small businesses located in low-income census tracts and below the aggregate, which made 7.1% by number and 6.3% by dollar volume of small business loans in low-income census tracts. In 2019, the bank made 28.7% by number and 27.2% by dollar volume of small business loans in moderate-income census tracts. The bank's small business lending performance in moderate-income census tracts was significantly above the 18.1% of small businesses located in moderate-income census tracts and significantly above the aggregate, which made 18.6% by number and 17.1% by dollar volume of small business loans in moderate-income census tracts.

In 2018, the bank made 1.9% by number and 2.2% by dollar volume of small business loans in low-income census tracts. The bank's small business lending performance in low-income census tracts was below the 8.1% of small businesses located in low-income census tracts and below the aggregate, which made 8.7% by number and 7.9% by dollar volume of small business loans in low-income census tracts. In 2018, the bank made 27.0% by number and 25.9% by dollar of small business loans in moderate-income census tracts. The bank's small business lending performance in moderate-income census tracts was above the 18.2% of small businesses located in moderate-income census tracts and above the aggregate, which made 18.4% by number and 17.1% by dollar of small business loans in moderate-income census tracts.

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

The percentage of low- and moderate-income families is used as a proxy to estimate demand for home-mortgage lending in the assessment area. According to the 2015 ACS, and based on the 2018 FFIEC Census data, of the total number of families in the assessment area, 29.8% were designated as low-income, 16.8% as moderate-income, 17.5% as middle-income, and 35.9% as upper income. Families living below the poverty level in the assessment area represented 14.1% of total families.

According to the 2019 FFIEC Census data, of the total number of families in the assessment area, 28.3% were designated as low-income, 16.5% as moderate-income, 17.6% as middle-income, and 37.6% as upper income. Families living below the poverty level in the assessment area represented 14.1% of total families.

According to the 2020 FFIEC Census data, of the total number of families in the assessment area, 28.3% were designated as low-income, 16.5% as moderate-income, 17.6% as middle-income, and 37.6% as upper income. Families living below the poverty level in the assessment area represented 14.1% of total families.

The number of businesses operating in the assessment area is used as a proxy to estimate demand for business credit in the assessment area. According to the 2018 data, there were 519,908 businesses located in the assessment area, with 89.8% designated as small businesses. According to 2019 data, there were 522,160 businesses located in the assessment area, with 90.1% designated as small businesses. According to 2020 data, Dun and Bradstreet business demographic information, there were 528,704 businesses located in the assessment area, with 90.5% designated as small businesses. The size of the small business loans was also used as a proxy to identify lending to businesses with GAR of \$1 million or less.

The distribution of borrowers reflected, given the product lines offered, adequate penetration among customers of different income levels and businesses of different sizes. Overall, HMDA lending to low- and moderate-income borrowers was adequate and lending to businesses with gross annual revenues of \$1 million or less was good.



### *Home Purchase*

The distribution of borrowers reflected, given the product lines offered, good penetration among low-income customers and adequate penetration among moderate-income customers for home purchase lending. In 2020, the bank made 4.0% by number and 0.8% by dollar volume of its home purchase loans to low-income borrowers and was significantly below the 28.3% of low-income families in the assessment area. Performance was above aggregate lending, which made 2.9% by number and 1.4% by dollar volume to low-income families. The bank's lending to moderate-income borrowers was 14.0% by number and 8.4% by dollar volume, which was slightly below the aggregate performance of 16.6% by number, slightly below the 9.8% by dollar volume, and slightly below the 16.5% moderate-income families in the assessment area.

In 2019, the bank made 3.1% by number and 0.7% by dollar volume of its home purchase loans to low-income borrowers and was significantly below the 28.3% of low-income families in the assessment area. Performance was similar to aggregate lending, which made 3.1% by number and 1.5% by dollar volume to low-income families. The bank's lending to moderate-income borrowers was 13.3% by number and 5.8% by dollar volume, which was below the aggregate performance of 15.6% by number and 8.8% by dollar, and slightly below the 16.5% of moderate-income families in the assessment area.

In 2018, the bank made 2.4% by number and 1.0% by dollar volume of its home purchase loans to low-income borrowers and was significantly below the 29.8% of low-income families in the assessment area. Performance was below aggregate lending, which made 3.3% by number and 1.6% by dollar volume to low-income families. The bank's lending to moderate-income borrowers was 13.4% by number and 5.4% by dollar volume, which was similar to the aggregate performance of 14.6% by number but below the 8.0% by dollar volume, and slightly below the 16.8% of moderate-income families in the assessment area.

### *Refinance*

The distribution of borrowers reflected, given the product lines offered, adequate penetration among low-income customers and adequate penetration among moderate-income customers for refinance lending. In 2020, the bank's lending to low-income borrowers was 2.5% by number and 0.8% by dollar volume of its refinance loans and was slightly below the aggregate performance, at 2.8% by number and 1.5% by dollar volume. The bank's performance was significantly below the 28.3% of low-income families in the assessment area. The bank's lending to moderate-income borrowers, at 10.7% by number and 6.1% by dollar volume, was below the aggregate performance at 12.5% by number, slightly below 7.4% by dollar, and below the 16.5% of moderate-income families in the assessment area.

In 2019, the bank's lending to low-income borrowers was 2.7% by number and 1.8% by dollar volume of its refinance loans and was below the aggregate performance, at 4.5% by number and 2.1% by dollar volume. The bank's performance was significantly below the 28.3% of low-income families in the assessment area. The bank's lending to moderate-income borrowers, at 10.8% by number and 2.9% by dollar volume, was slightly below the aggregate performance at 12.2% by number, significantly below the 6.0% by dollar volume, and below the 16.5% of moderate-income families in the assessment area.

In 2018, the bank did not make any loans to low-income borrowers. This was significantly below the aggregate performance, at 5.5% by number and 2.7% by dollar volume. The bank's performance was significantly below the 29.8% of low-income families in the assessment area and performance was below the aggregate. The bank's lending to moderate-income borrowers, at 10.1% by number and 3.6% by dollar volume, was below the aggregate performance at 13.2% by number, below the 6.9% by dollar volume, and below the 16.8% of moderate-income families in the assessment area.

### *Home Improvement*

The distribution of borrowers reflected, given the product lines offered, poor penetration among low-income customers and poor penetration among moderate-income customers for home improvement lending. In 2020, the bank made no home improvement loans to low-income borrowers. This was significantly below the aggregate lending data, at 3.9% by number and 2.3% by dollar volume. The bank's performance was significantly below the 28.3% of low-income families in the assessment area. The bank made no home improvement loans to moderate-income borrowers. This was significantly below the aggregate performance at 11.6% by number, significantly below the 6.6% by dollar volume, and significantly below the moderate-income families in the assessment area at 16.5%.

In 2019, the bank made no home improvement loans to low-income borrowers. This was significantly below the aggregate lending data, at 4.2% by number and 2.2% by dollar volume. The bank's performance was significantly below the 28.3% of low-income families in the assessment area. The bank made no home improvement loans to moderate-income borrowers. This was significantly below the aggregate performance at 12.6% by number, significantly below the 7.4% by dollar volume, and significantly below the moderate-income families in the assessment area at 16.5%.

In 2018, the bank made no home improvement loans to low-income borrowers. This was significantly below the aggregate lending data, at 3.8% by number and 2.1% by dollar volume. The bank's performance was significantly below the 29.8% of low-income families in the assessment area. The bank made no home improvement loans to moderate-income borrowers. This was significantly below the aggregate performance at 11.0% by number, significantly below the 6.3% by dollar volume, and significantly below the moderate-income families in the assessment area at 16.8%.

### *Small Business*

The distribution of borrowers reflected, given the product lines offered, good penetration when taking into consideration lending to very small businesses.

In 2020, the bank originated 3.4% of loans by number and 4.1% by dollar volume to businesses with gross annual revenues of \$1 million or less. The bank's lending to small businesses was below the aggregate performance, at 34.2% by number and 17.4% by dollar volume, and below the 90.5% percentage of businesses in the assessment area with gross annual revenues of \$1 million or less. The bank originated 59.9% of loans to assessment area businesses in amounts of \$100,000 or less, which is typically considered more responsive to the credit needs of very small businesses and responsive to the credit needs of the assessment area.

In 2019, the bank originated 25.4% of loans by number and 12.2% by dollar volume to businesses with gross annual revenues of \$1 million or less. The bank's lending to small businesses was below the aggregate performance, at 43.8% by number and 26.5% by dollar volume, and below the 90.1% percentage of businesses in the assessment area with gross annual revenues of \$1 million or less. The bank originated 31.0% of loans to assessment area businesses in amounts of \$100,000 or less, which is typically considered more responsive to the credit needs of very small businesses and responsive to the credit needs of the assessment area.

In 2018, the bank originated 29.1% of loans by number and 16.1% by dollar volume to businesses with gross annual revenues of \$1 million or less. The bank's lending to small businesses was below the aggregate performance, at 39.7% by number and 26.2% by dollar volume and was below the 89.8% percentage of businesses in the assessment area with gross annual revenues of \$1 million or less. However, the bank

originated 34.2% of loans to assessment area businesses in amounts of \$100,000 or less, which is typically considered more responsive to the credit needs of very small businesses and responsive to the credits needs of the assessment area.

### Innovative and/or Flexible Lending Practices

Dime made use of innovative and/or flexible products that enhanced the level of lending in LMI geographies and to LMI borrowers, thereby supporting the bank’s good record of serving the credit needs of low-income individuals and areas and very small businesses. Examples of responsive products targeted to specific community needs in the bank’s assessment area included:

- Paycheck Protection Program (“PPP”) loans designed to provide a direct incentive to small businesses adversely affected by the COVID-19 pandemic to keep their workers on the payroll. Throughout the evaluation period, the combined institution originated 7,212 PPP loans. L-BNB originated 4,408 PPP loans and Dime originated 2,804.
- SBA 504 and SBA 7A loans that offered small businesses financing for the purchase of fixed assets at below market interest rates.

### Community Development Lending

The bank was a leader in making CD loans in the assessment area and in the broader statewide or regional area that included the assessment area. At the previous examination, the institution made approximately 81 community development loans totaling \$306 million. Based on a sample of loans qualified by examiners, the bank had a 259% increase in terms of dollar amount and a 375% increase in terms of loan volume in their community development lending. In addition, the bank made use of innovative and/or flexible lending practices in serving assessment area needs. As displayed in the table below and based on reviewing a sample of the bank’s submission of CD activity, the bank made 385 qualifying community development loans, totaling approximately \$1.1 billion within its assessment area and the broader/statewide or regional area.

<b>Qualified Community Development Loans by Purpose July 1, 2018 – December 31, 2021</b>				
<b>Community Development Purpose</b>	<b>Number of Loans</b>	<b>% of Total CD Loans</b>	<b>\$ Amount (000s)</b>	<b>% of Total CD \$</b>
<b>Affordable Housing</b>	70	18.2%	197,092	18.8%
<b>Economic Development</b>	298	77.4%	660,012	62.8%
<b>Revitalization/Stabilization</b>	10	2.6%	123,914	11.8%
<b>Community Service</b>	7	1.8%	69,723	6.6%
<b>TOTAL</b>	<b>385</b>	<b>100.0</b>	<b>1,050,741</b>	<b>100.0</b>

When compared to four similarly situated banks, Dime’s performance within the assessment area was well above that of the peer banks when comparing annualized community development loans to deposits, Tier 1 capital, and average assets. In addition, the bank’s community development lending exhibits a good record of serving the credit needs of low-income individuals and areas, and very small businesses within the bank’s assessment area.

Performance within the assessment area, by dollar volume, was primarily allocated to economic development, which represented approximately 77.4% of community development lending, and affordable housing, which represented 18.2%. When reviewing the bank's performance, by dollar volume, in both its assessment area and the broader statewide or regional area that included the assessment area, the community development loan purpose of economic development represented 62.8%, revitalization/stabilization represented 11.8%, community services represented 6.6%, and affordable housing represented 18.8% of the bank's total qualified community development lending. As noted in the community contact section, there is a need for affordable housing within the MSA. Dime originated 70 affordable housing related loans totaling \$197 million throughout the evaluation period.

Dime originated community development loans that qualified for community development activity pursuant to the PPP, established by the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") of 2020, and designed to provide direct capital for small businesses adversely affected by the COVID-19 pandemic to keep workers on the payroll. 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 as defined under the CRA. Dime originated 271 PPP loans over the review period that qualified for approximately \$583 million in community development activity with a primary purpose of economic development.

Additional examples of community development lending included:

- A \$31 million loan for an adult day care that provides alcohol and substance abuse related services, located in a moderate-income census tract.
- A \$24 million loan for improvement of a healthcare facility in a low-income census tract.
- A \$22 million loan for affordable housing where the majority of the apartment rentals are under the fair market rent threshold.

## INVESTMENT TEST

Dime Community Bank's investment test performance is rated *High Satisfactory*. The bank made a significant level of qualified CD investments and grants, particularly those not routinely provided by private investors, occasionally in a leadership position. The bank made significant use of innovative and/or complex investments to support Community Development (CD) initiatives. The bank exhibited excellent responsiveness to credit and CD needs.

During the evaluation period, the bank had a total of 64 qualified investments, of which 21 were investments that carried over from the previous evaluation period, with a value of \$147 million. At the last examination, the bank had a total of 136 investments and grants totaling approximately \$52.1 million. Although the total volume of qualified investments decreased, the bank increased investments by dollar volume by approximately 183%.

Community development investments were dedicated to affordable housing, which represented a substantial majority of the qualified investments. Affordable housing was identified by local community contacts as a prominent need in the assessment area. A majority of qualified investments consisted of mortgage-backed securities, collateralized by loans targeted to LMI individuals. Additionally, the institution made a few investments with an economic development purpose. When compared to four

similarly situated banks operating in the assessment area, Dime’s total annualized qualified investments as a percentage of average assets, deposits and dollar amount, was comparable.

<b>Qualified Community Development Investments by Purpose July 1, 2018 – December 31, 2021:</b>		
<b>Purpose</b>	<b>Assessment Area</b>	
	<b>#</b>	<b>\$ (000s)</b>
Affordable Housing	61	141,222
Economic Development	3	5,500
<b>Total</b>	<b>64</b>	<b>146,722</b>

Based on the sample, the bank made 260 grants and donations that qualified for community development activity, totaling approximately \$3.1 million during the evaluation period as illustrated in the table below. Of the qualifying grants and donations, 27 (\$336,000) targeted affordable housing initiatives, 97 (\$849,000) benefitted community service organizations, and 136 (\$1,926,000) benefitted economic development organizations.

<b>Qualified Community Development Donations by Purpose July 1, 2018 – December 31, 2021:</b>								
<b>Area</b>	<b>Affordable Housing</b>		<b>Community Services</b>		<b>Economic Development</b>		<b>Total</b>	
	<b>#</b>	<b>(\$000s)</b>	<b>#</b>	<b>(\$000s)</b>	<b>#</b>	<b>(\$000s)</b>	<b>#</b>	<b>(\$000s)</b>
MSA 35620	27	336	97	849	136	1,926	260	3,111
<b>Total</b>	<b>27</b>	<b>336</b>	<b>97</b>	<b>849</b>	<b>136</b>	<b>1,926</b>	<b>260</b>	<b>3,111</b>

Examples of grant and donation activities included:

- A \$53,000 donation to a CDFI that provides loans to first-time home buyers.
- A \$50,000 grant that supported financial literacy and child services for LMI individuals in the City of New York.
- A grant that supported a small business competition offered by the Brooklyn Public Library, which provided education and resources for applicants to open and operate a small business in Brooklyn.

## **SERVICE TEST**

The service test performance is rated *Outstanding*. Delivery systems were readily accessible to the bank's geographies and individuals of different income levels in its AA. The bank's record of opening and closing of branches did not adversely affect the accessibility of its delivery systems, particularly to low- and moderate-income geographies and/or LMI individuals. Services were tailored to convenience and needs of

its assessment area, particularly LMI geographies and/or LMI individuals. The bank was also a leader in providing CD services.

### **Retail Services**

Dime's delivery systems were readily accessible to the bank's geographies and individuals of different income levels in its assessment area. Dime's main office is in Hauppauge, NY. The location has two full-service, 24-hour ATMs. Of note, the merger did not affect the branch distribution network.

The bank operated 64 full-service branch locations with onsite ATMs, one drive-thru branch, one limited-service branch, 11 stand-alone ATMs, including one seasonal stand-alone ATM, and three loan production offices. Four branches were in low-income tracts, while eight were in moderate-income census tracts; thirty-one branches were in middle-income census tracts and twenty were in upper-income census tracts. One branch was in an unknown-income census tract.

At the last examination, the institution was considered "reasonably accessible" and had 38 branches, including no branches in low-income census tracts and six in moderate-income census tracts. After the merger, and now operating a network of 64 branch locations, the institution operates four branches in low-income census tracts and eight in moderate-income census tracts, doubling the number of branches in LMI census tracts since the previous examination. Dime's products and services were available at each branch location.

The bank's hours and services were tailored to the convenience and needs of its assessment area, particularly LMI geographies and/or LMI individuals. Of the 64 branch locations, 38 locations, (59.4%) had extended hours and 43 branches (67.2%) had weekend hours. Of the 12 branches in LMI census tracts, 6 (50%) had extended hours and 10 (83.3%) had weekend hours.

In addition to its branches and ATMs, Dime Bank maintained a full-service website, which offered customers online banking products, including checking and savings accounts, money market accounts, and Certificates of Deposit ("CDs"), as well as lending products, including both residential and commercial options.

### **Community Development Services**

Dime was a leader in providing community development services in its assessment area during the review period. As presented in the subsequent chart, Dime Bank conducted 170 community service events. These consisted of a variety of events related to the financial education of children and adults, small business seminars and technical assistance events. In addition, the bank's officers and senior staff served on the board or were involved in a leadership capacity with 33 local non-profits and community-based organizations within the assessment area, providing on-going financial and management expertise, as well as technical assistance.

<b>Purpose</b>	<b>Number</b>
Financial Education	72
Small Business Seminars	65
Board Participation	33
<b>Total</b>	<b>170</b>

Examples of Dime’s community development services included:

- A bank officer served on the board of directors for a community based non-profit organization, which promoted affordable housing and community services.
- Bank employees and staff provided financial education services in partnership with community action organizations that directly benefitted low- and moderate-income individuals and families.
- A bank officer served on the loan committee for an affordable housing organization.

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

Dime 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. The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) established the Consumer Financial Protection Bureau (CFPB). In general, the Dodd-Frank Act gives the CFPB, among other things, primary evaluation, and enforcement authority over insured depository institutions with total assets of more than \$10 billion when assessing compliance with the requirements of Federal consumer financial laws, including Dime. The Federal Reserve, however, retains authority to enforce compliance with the CRA and certain other consumer compliance laws and regulations. During the review period of this evaluation (January 1, 2018 – December 31, 2021), the Federal Reserve did not cite violations involving discriminatory or other illegal credit practices that adversely affected the Federal Reserve's evaluation of the bank's CRA performance.

## CRA APPENDIX A

<b>SCOPE OF EXAMINATION</b>			
<b>TIME PERIOD REVIEWED:</b>	<b>Retail Lending Test: January 1, 2018 – December 31, 2020</b> <ul style="list-style-type: none"> <li>• L-BNB</li> </ul> <b>CD Loans/Investments/Retail and CD Services: July 1, 2018 – December 31, 2021</b> <ul style="list-style-type: none"> <li>• L-BNB 2018, 2019, and 2020</li> <li>• L-Dime 2020</li> <li>• Dime Community Bank 2021</li> </ul>		
<b>FINANCIAL INSTITUTION:</b>  Dime Community Bank	<b>PRODUCTS REVIEWED:</b> <ul style="list-style-type: none"> <li>• HMDA Lending</li> <li>• Small Business Lending</li> <li>• Community Development Activities</li> </ul>		
<b>AFFILIATE(S):</b>  None	<b>AFFILIATE RELATIONSHIP:</b>  Not Applicable		
<b>LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION</b>			
<b>ASSESSMENT AREA</b>	<b>TYPE OF EXAMINATION</b>	<b>BRANCHES VISITED</b>	<b>OTHER INFORMATION</b>
MSA 35620 (New York-Newark-Jersey City, NY-NJ-PA)	Full Scope	None	Not Applicable



**CRA APPENDIX B**

**2018 Aggregate Comparison Loan Distribution Table**

**Assessment Area: MD 35620**

<b>HMDA &amp; CRA Loan Distribution Table</b>								
<b>Exam: Legacy BNB 2021 CRA Evaluation</b>								
Selected Year(s): 2018								
Assessment Area/Group: MSA 35620 - 2018								
<b>HMDA</b>								
Income Categories	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Low	10	10.4%	48,250	18.8%	0	0.0%	0	0.0%
Moderate	31	32.3%	100,403	39.2%	1	1.0%	292	0.1%
Low/Moderate Total	41	42.7%	148,653	58.0%	1	1.0%	292	0.1%
Middle	29	30.2%	37,914	14.8%	2	2.1%	700	0.3%
Upper	26	27.1%	69,703	27.2%	24	25.0%	26,814	10.5%
Unknown	0	0.0%	0	0.0%	69	71.9%	228,464	89.1%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>96</b>	<b>100.0%</b>	<b>256,270</b>	<b>100.0%</b>	<b>96</b>	<b>100.0%</b>	<b>256,270</b>	<b>100.0%</b>
<b>SMALL BUSINESS</b>								
<b>SMALL FARM</b>								
	#	%	\$(000s)	%	#	%	\$(000s)	%
	By Tract Income							
Low	9	1.9%	3,365	2.2%	0	0.0%	0	0.0%
Moderate	128	27.0%	38,798	25.9%	0	0.0%	0	0.0%
Low/Moderate Total	137	28.9%	42,163	28.1%	0	0.0%	0	0.0%
Middle	243	51.3%	79,140	52.8%	1	100.0%	50	100.0%
Upper	92	19.4%	27,472	18.3%	0	0.0%	0	0.0%
Unknown	2	0.4%	1,250	0.8%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>474</b>	<b>100.0%</b>	<b>150,025</b>	<b>100.0%</b>	<b>1</b>	<b>100.0%</b>	<b>50</b>	<b>100.0%</b>
<b>By Revenue</b>								
Total \$1 Million or Less	138	29.1%	24,191	16.1%	1	100.0%	50	100.0%
Over \$1 Million	330	69.6%	124,050	82.7%	0	0.0%	0	0.0%
Not Known	6	1.3%	1,784	1.2%	0	0.0%	0	0.0%
<b>Total</b>	<b>474</b>	<b>100.0%</b>	<b>150,025</b>	<b>100.0%</b>	<b>1</b>	<b>100.0%</b>	<b>50</b>	<b>100.0%</b>
<b>By Loan Size</b>								
\$100,000 or less	162	34.2%	9,799	6.5%	1	100.0%	50	100.0%
\$100,001 - \$250,000	125	26.4%	23,899	15.9%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	187	39.5%	116,327	77.5%	0	0.0%	0	0.0%
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>474</b>	<b>100.0%</b>	<b>150,025</b>	<b>100.0%</b>	<b>1</b>	<b>100.0%</b>	<b>50</b>	<b>100.0%</b>
<b>By Loan Size and Revenue \$1 Million or Less</b>								
\$100,000 or less	83	60.1%	4,500	18.6%	1	100.0%	50	100.0%
\$100,001 - \$250,000	26	18.8%	4,504	18.6%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	29	21.0%	15,187	62.8%	0	0.0%	0	0.0%
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>138</b>	<b>100.0%</b>	<b>24,191</b>	<b>100.0%</b>	<b>1</b>	<b>100.0%</b>	<b>50</b>	<b>100.0%</b>

**2019 Aggregate Comparison Loan Distribution Table**

**Assessment Area: MD 35620**

<b>HMDA &amp; CRA Loan Distribution Table</b>								
<b>Exam: Legacy BNB 2021 CRA Evaluation</b>								
Selected Year(s): 2019								
Assessment Area/Group: MSA 35620 - 2019								
Income Categories	HMDA				HMDA			
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Low	11	6.9%	75,555	25.1%	2	1.3%	208	0.1%
Moderate	24	15.0%	35,474	11.8%	16	10.0%	3,606	1.2%
Low/Moderate Total	35	21.9%	111,029	36.9%	18	11.3%	3,814	1.3%
Middle	63	39.4%	71,891	23.9%	15	9.4%	5,508	1.8%
Upper	62	38.8%	118,169	39.2%	66	41.3%	44,831	14.9%
Unknown	0	0.0%	0	0.0%	61	38.1%	246,936	82.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	160	100.0%	301,089	100.0%	160	100.0%	301,089	100.0%
	SMALL BUSINESS				SMALL FARM			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	By Tract Income							
Low	9	1.6%	3,170	1.7%	0	0.0%	0	0.0%
Moderate	164	28.7%	50,582	27.2%	1	50.0%	2	7.4%
Low/Moderate Total	173	30.3%	53,752	28.9%	1	50.0%	2	7.4%
Middle	291	51.0%	97,255	52.3%	0	0.0%	0	0.0%
Upper	106	18.6%	35,043	18.8%	1	50.0%	25	92.6%
Unknown	1	0.2%	30	0.0%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	571	100.0%	186,080	100.0%	2	100.0%	27	100.0%
	By Revenue							
Total \$1 Million or Less	145	25.4%	22,649	12.2%	1	50.0%	2	7.4%
Over \$1 Million	410	71.8%	160,773	86.4%	0	0.0%	0	0.0%
Not Known	16	2.8%	2,658	1.4%	1	50.0%	25	92.6%
Total	571	100.0%	186,080	100.0%	2	100.0%	27	100.0%
	By Loan Size							
\$100,000 or less	177	31.0%	8,721	4.7%	2	100.0%	27	100.0%
\$100,001 - \$250,000	152	26.6%	30,099	16.2%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	242	42.4%	147,260	79.1%	0	0.0%	0	0.0%
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	571	100.0%	186,080	100.0%	2	100.0%	27	100.0%
	By Loan Size and Revenue \$1 Million or Less							
\$100,000 or less	92	63.4%	4,269	18.8%	1	100.0%	2	100.0%
\$100,001 - \$250,000	29	20.0%	5,340	23.6%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	24	16.6%	13,040	57.6%	0	0.0%	0	0.0%
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	145	100.0%	22,649	100.0%	1	100.0%	2	100.0%

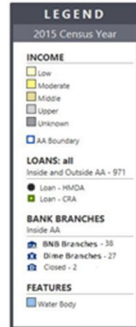
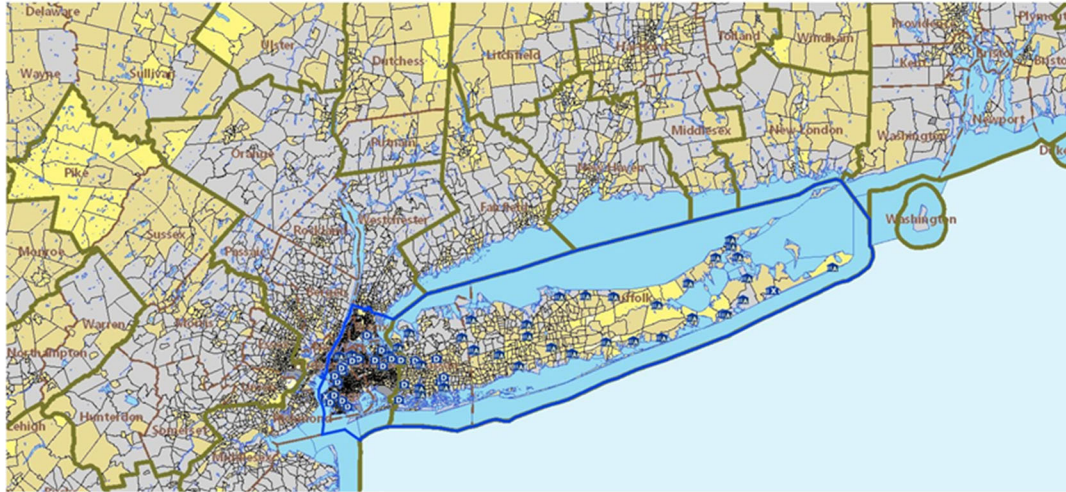
**2020 Aggregate Comparison Loan Distribution Table**

**Assessment Area: MD 35620**

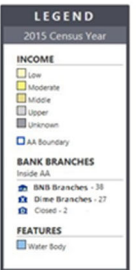
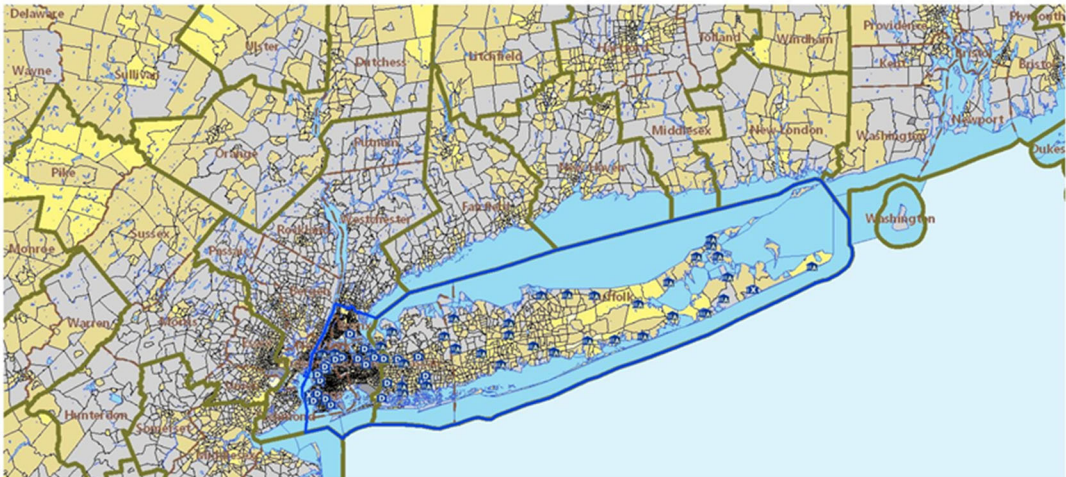
<b>HMDA &amp; CRA Loan Distribution Table</b>								
<b>Exam: Legacy BNB 2021 CRA Evaluation</b>								
Selected Year(s): 2020								
Assessment Area/Group: MSA 35620 - 2020								
Income Categories	HMDA				HMDA			
	By Tract Income				By Borrower Income			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Low	8	4.0%	17,461	7.5%	4	2.0%	547	0.2%
Moderate	40	20.1%	34,408	14.7%	16	8.0%	4,939	2.1%
Low/Moderate Total	48	24.1%	51,869	22.2%	20	10.1%	5,486	2.3%
Middle	72	36.2%	54,811	23.5%	29	14.6%	10,565	4.5%
Upper	79	39.7%	127,026	54.4%	96	48.2%	56,372	24.1%
Unknown	0	0.0%	0	0.0%	54	27.1%	161,283	69.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	199	100.0%	233,706	100.0%	199	100.0%	233,706	100.0%
	SMALL BUSINESS				SMALL FARM			
	#	%	\$(000s)	%	#	%	\$(000s)	%
	By Tract Income				By Tract Income			
Low	78	1.7%	13,031	1.8%	0	0.0%	0	0.0%
Moderate	1,011	22.5%	163,761	22.5%	3	42.9%	194	44.5%
Low/Moderate Total	1,089	24.2%	176,792	24.3%	3	42.9%	194	44.5%
Middle	2,296	51.0%	368,710	50.7%	2	28.6%	84	19.3%
Upper	1,094	24.3%	176,425	24.3%	2	28.6%	158	36.2%
Unknown	22	0.5%	4,705	0.6%	0	0.0%	0	0.0%
Tract Unknown	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	4,501	100.0%	726,632	100.0%	7	100.0%	436	100.0%
	By Revenue				By Revenue			
Total \$1 Million or Less	157	3.5%	27,695	3.8%	0	0.0%	0	0.0%
Over \$1 Million	434	9.6%	181,590	25.0%	1	14.3%	65	14.9%
Not Known	3,910	86.9%	517,347	71.2%	6	85.7%	371	85.1%
Total	4,501	100.0%	726,632	100.0%	7	100.0%	436	100.0%
	By Loan Size				By Loan Size			
\$100,000 or less	2,632	58.5%	103,636	14.3%	7	100.0%	436	100.0%
\$100,001 - \$250,000	987	21.9%	162,336	22.3%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	882	19.6%	460,660	63.4%	0	0.0%	0	0.0%
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	4,501	100.0%	726,632	100.0%	7	100.0%	436	100.0%
	By Loan Size and Revenue \$1 Million or Less				By Loan Size and Revenue \$1 Million or Less			
\$100,000 or less	106	67.5%	5,832	21.1%	0	0.0%	0	0.0%
\$100,001 - \$250,000	22	14.0%	4,220	15.2%	0	0.0%	0	0.0%
\$250,001 - \$1 Million (Bus)-\$500k (Farm)	29	18.5%	17,643	63.7%	0	0.0%	0	0.0%
Over \$1 Million (Bus)-\$500k (Farm)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	157	100.0%	27,695	100.0%	0	0.0%	0	0.0%

### CRA APPENDIX C MAP OF THE ASSESSMENT AREA

Dime Community Bank/BNB Bank  
Assessment Area - 2018



Dime Community Bank/BNB Bank  
Assessment Area 2019 - 2020



## 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.