

PUBLIC DISCLOSURE

November 30, 2020

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Empire State Bank
RSSD No. 3277241

68 North Plank Road
Newburgh, New York 12550

FEDERAL RESERVE BANK OF NEW YORK
33 LIBERTY STREET
NEW YORK, NY 10045

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: This institution is rated Satisfactory.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Satisfactory.

The major factors supporting the Satisfactory performance rating for Empire State Bank (“Empire”) with regard to the Community Reinvestment Act (“CRA”) include the following:

- The loan-to-deposit ratio was more than reasonable given the bank’s size, financial condition and assessment areas credit needs;
- A majority of loans and other lending-related activity were made in the assessment areas;
- The geographic distribution of loans reflected reasonable dispersion throughout the assessment areas;
- The distribution of borrowers reflected poor penetration among individuals of different income (including low- and moderate-income) levels and reasonable penetration among businesses of different sizes;
- The bank’s community development performance demonstrated adequate responsiveness to the community development needs of its assessment areas through community development loans, qualified investments and community development services, as appropriate, considering the bank’s capacity and the need and availability of such opportunities for community development in the bank’s assessment areas; and,
- There were no CRA-related complaints filed against the bank since the previous CRA evaluation.

SCOPE OF EXAMINATION

Procedures

Empire’s performance was evaluated using the Federal Financial Institutions Examination Council’s (“FFIEC”) Interagency Intermediate Small Institution Examination Procedures. Note, however, that the prior CRA evaluation was under the Small Bank Examination Procedures, which do not include a Community Development component. During the current examination review period, the bank exceeded the Small Bank threshold, requiring the current CRA examination (all years) to be subject to the Intermediate Small Institution Examination Procedures.

As shown in the table below, the lending test evaluation covered the period from January 1, 2015

to December 31, 2018. Due to changes in HMDA reporting requirements, 2018 loan data is separated from 2017, 2016, and 2015 loan data. The evaluation period for Empire’s community development activities was from March 1, 2016 through December 31, 2019.

PERFORMANCE CRITERIA	EVALUATION PERIOD
Loan-to-Deposit Ratio	January 1, 2015 – December 31, 2018
Lending in Assessment Areas	January 1, 2015 – December 31, 2018
Geographic Distribution of Loans	January 1, 2015 – December 31, 2018
Borrower Distribution of Loans	January 1, 2015 – December 31, 2018
Response to CRA Complaints	January 1, 2015 – December 31, 2019
Community Development Lending	March 1, 2016 – December 31, 2019
Qualified Investments	March 1, 2016 – December 31, 2019
Community Development Services	March 1, 2016 – December 31, 2019

Products

Retail loan products evaluated included primarily non-owner occupied home purchase loans reported under HMDA for 1-4 unit rental properties. In 2014, Empire ceased originating owner-occupied 1-4 unit residential loans when it made the decision to exit the consumer mortgage market; therefore, loans on the HMDA LAR were only composed of investor-owned properties originated by the bank’s commercial lending department. Home refinance, home improvement, and multifamily loans were excluded from the evaluation, as the volume was too insignificant for analysis. Examiners verified the integrity of the bank’s 2015, 2016, 2017 and 2018 HMDA loans and a sample of small business loan data as part of the evaluation.

Because Empire does not originate consumer residential mortgages, this highlights another barrier in lending to low- and moderate-income (“LMI”) borrowers, as non-owner-occupied real estate mortgages typically require higher down payments and a history of prior rental property ownership. Additionally, LMI incomes rarely can be stretched to afford both owner-occupied housing and nonowner-occupied investment property. Because Empire’s business model does not include consumer real estate lending, the bank’s HMDA lending disclosed non-owner-occupied loans to corporations, partnerships, trusts, or other investors. Income on applications when an applicant or co-applicant is not a natural person, such as a corporation, is not reported under the HMDA reporting instructions. Of Empire’s 172 HMDA loans, 105 (61.0%) did not have a reported income, preventing these loans from being categorized by income. Therefore, these loans could not be included in the borrower distribution analysis.

Additionally, a sample of 132 small business loans originated from January 1, 2015 to December 31, 2018 was selected, which examiners analyzed to assess the bank’s performance.

Examiners also reviewed community development loans, qualified investments, and community development services.

Empire's performance in lending to LMI borrowers and businesses of different sizes is summarized as follows.

Lending Distribution Analysis

The geographic and borrower loan distribution analyses were based on loan activity conducted in Empire's assessment areas. For evaluation of the geographic distribution of loans, performance was rated based on penetration in LMI areas and was compared to the aggregate lending performance of all lenders in the assessment area. Demographic data from the U.S. Department of Commerce's 2010 Census ("2010 Census") and 2015 American Community Survey ("2015 ACS") was used to categorize LMI areas. The proportion of HMDA-related loan originations and purchases in LMI geographies, which for Empire was comprised of non-owner occupied investor 1-4 family rental properties, was compared with the proportion of 1-4 family rental units located in LMI geographies in the assessment area. For small business loans, the analysis compared the proportion of loan originations and purchases with the proportion of businesses located in LMI areas as reported by Dun & Bradstreet ("D&B").

To analyze the borrower characteristics of HMDA-related loans, the proportion of originations to LMI borrowers was compared to the proportion of LMI families for HMDA loans. Income estimates from U.S. Department of Housing and Urban Development ("HUD") and the FFIEC were used to categorize borrower income. For small business loans, the proportion of loans to borrowers with gross annual revenues ("GAR") of \$1 million or less were compared to the proportion of such businesses as reported by D&B. The size of the small business loan was also used as a proxy to identify lending to businesses with GAR of \$1 million or less.

Empire's HMDA-related and small business lending performance in each year of the review period was also compared to the corresponding year's performance of the aggregate of all lenders in the assessment area subject to HMDA and/or CRA small business loan reporting.

Peer data was used for the loan-to-deposit analysis. Empire's peer banks were selected based on asset size, loan portfolio mix, and area served in order to choose similarly situated banks. Empire's loan-to-deposit ratio was also compared to its national peer group. Empire's performance in making community development loans and qualified investments was also compared with peer banks in Empire's assessment areas.

Community Contacts

In order to learn more about community credit needs, examiners conducted interviews with two non-profit organizations whose missions included promoting affordable housing, economic development, and providing a variety of social services in the Empire's assessment area. Details from these interviews are presented within the performance context of the respective assessment area in this evaluation.

DESCRIPTION OF INSTITUTION

Empire is a retail commercial bank wholly owned by a one-bank holding company, ES Bancshares, Inc. Founded in 2004, Empire State Bank (“Empire”), an intrastate bank with its main office located in Newburgh, NY, holds a New York State commercial bank charter, and is regulated by, and is a state-member bank of, the Federal Reserve Bank of New York (“FRBNY”).

The bank attracts deposits from the general public and uses such deposits to originate investor-owned 1-4 family rental unit and multifamily loans, commercial loans, commercial revolving lines of credit and term loans, including United States Department of Agriculture (“USDA”) and Small Business Administration (“SBA”) guaranteed loans, commercial real estate and, to a lesser extent, construction and land loans. Empire operates five full-service branches, one of which is located in Orange County, NY, two in Kings County, NY, and two in Richmond County, NY. Empire operates in a competitive market with branches of numerous regional and nationwide banks including JPMorgan Chase and Citibank, as well as local competitors, including Victory State Bank (merged with Northfield Bank on July 1, 2020), Investors Bank, Richmond County Savings Bank (a division of New York Community Bank), and Orange County Bank and Trust. Based on the deposits reported to the Federal Deposit Insurance Corporation (“FDIC”) on June 30, 2019, Empire ranked 21st in deposit market share (0.3%) in Kings and Richmond Counties, New York of MD 35614 (New York-Jersey City-White Plains, NY-NJ), which is the assessment area where the bank conducts a majority of its business.

As of December 31, 2019, Empire maintained total assets of \$420.9 million, total loans and leases of \$369.2 million, and total domestic deposits of \$332.0 million. Of the total gross loans and leases, 45.3% were secured by one- to four-family residential real estate.

Based on the December 31, 2019 FFIEC Consolidated Report of Condition and Income (“Call Report”), Empire’s loan portfolio by dollar volume consisted of a mix of residential real estate and commercial loans as summarized in the following table:

Loan Type	Total Loans & Leases	Percent of Total Loans & Leases
1-4 Residential Real Estate Secured	\$167,399,000	45.3%
Multifamily Dwelling	\$33,594,000	9.1%
HELOCs	\$2,689,000	0.7%
Agriculture	\$972,000	0.3%
Commercial & Industrial	\$19,904,000	5.4%
Nonfarm Nonresidential Secured	\$144,523,000	39.1%
Other	\$113,000	0.1%
Total	\$369,194,000	100%

Based on the December 31, 2019 Uniform Bank Performance Report (“UBPR”), Empire’s deposit portfolio by dollar volume was primarily comprised of demand deposits, money market demand accounts, savings accounts and time deposits as summarized in the following table:

Deposit Type	Total Deposits	Percent of Total Deposits
Demand Deposits	\$83,359,000	25.1%
All Now & ATS Accounts	\$1,612,000	0.5%
Money Market Deposit Accounts	\$9,624,000	2.9%
Other Savings Deposits	\$117,999,000	35.5%
Time Deposits at or below Insurance Level	\$90,445,000	27.2%
Time Deposits above Insurance Level	\$29,005,000	8.7%
Total	\$332,044,000	100%

Empire’s previous CRA evaluation was conducted as of February 22, 2016, using the FFIEC Interagency Small Institution Examination Procedures. The prior evaluation resulted in a rating of Satisfactory. There were no financial or legal factors to prevent Empire from fulfilling its responsibility under CRA.

DESCRIPTION OF ASSESSMENT AREAS

In 2015 and 2016, Empire delineated three assessment areas. One was located within MSA 28740 (Kingston, NY) and consisted of a portion of Ulster County, NY. The other two assessment areas were comprised of non-contiguous portions of MD 35614 (New York-Jersey City-White Plains, NY-NJ) with one assessment area comprised of Orange County, NY, herein referred to as MD 35614 (Orange County, NY) assessment area, and the second assessment area comprised of Richmond County, NY and a portion of Kings County, NY, herein referred to as MD 35614 (Kings and Richmond Counties, NY) assessment area. In 2017, Empire eliminated the MSA 28740 (Kingston, NY) assessment area as Empire closed its only branch in Ulster County on June 2, 2017. Also, in 2017, Empire expanded the MD 35614 (Kings and Richmond Counties, NY) assessment area to include the entirety of Kings County together with Richmond County, which was the assessment area used for the full analysis. In 2018 and 2019, Empire maintained the MD 35614 (Orange County, NY) assessment area and the MD 35614 (Kings and Richmond Counties, NY) assessment area.

A full scope review of the MD 35614 (Kings and Richmond Counties, NY) assessment area was identified based on the significance of the bank’s lending and deposit activities within that geographic area as compared to the other assessment areas. The MD 35614 (Kings and Richmond Counties, NY) assessment area held 66.5% of the bank’s deposits (up from 50.5% on June 30, 2015), 71.7% of bank-wide HMDA loans originated or purchased during the examination review period, 98.3% of the bank’s HMDA loans originated or purchased within the bank’s collective assessment areas, and 44.0% of the bank’s small business loan sample. The Lending Test and the

Community Development Test conclusions were based on the full-scope review of the MD 35614 (Kings and Richmond Counties, NY) assessment area.

The MD 35614 (Orange County, NY) and MSA 28740 (Kingston, NY) assessment areas were evaluated under limited scope procedures due to the very low level of lending activity and percentage of overall deposits in those assessment areas. The limited-scope review assessment areas did not contribute to the overall examination ratings. However, the performance of the limited-scope review assessment areas were identified as below the bank's performance in the full-scope review assessment area. A summary of Key Assessment Area Data is located on the following page.

Full Scope Review of Assessment Area:

- MD 35614 (Kings and Richmond Counties, NY) Assessment Area

Limited Scope Review of Assessment Areas:

- MD 35614 (Orange County, NY) Assessment Area
- MSA 28740 (Kingston, NY) Assessment Area.

In 2018, Empire's assessment areas included 950 census tracts, of which 124 were low-income, 302 were moderate-income, 266 were middle-income, 241 were upper-income, and 17 tracts were designated as unknown-income.

Empire's assessment areas were in compliance with the requirements of Section 228.41 of Regulation BB and did not arbitrarily exclude LMI geographies. A map illustrating the bank's assessment areas may be found in Appendix B.

Summary of Key Assessment Area ("AA") Data				
	MSA 28740 (Kingston, NY)	MSA 35614 (Orange Co.)	MD 35614 (Kings & Richmond Co.)	Totals
Population¹	49,743	375,384	3,067,740	3,492,867
% of Total AA Population	1.4%	10.7%	87.8%	100.0%
Number of Families	11,535	88,788	708,646	808,969
% of Total AA Families	1.4%	11.0%	87.6%	100.0%
Census Tracts¹	10	79	871	960
% of Total AA Census Tracts	1.0%	8.2%	90.7%	100.0%
LMI Census Tracts	0	16	410	426
% of Total AA LMI Census Tracts	0.0%	3.8%	96.2%	100.0%
Total Owner-Occupied Units¹	12,384	86,184	386,717	485,285
% of Total AA Units	2.6%	17.8%	79.7%	100.0%
Business Establishments²	2,017	17,194	111,718	130,929
% Total AA Businesses	1.5%	13.1%	85.3%	100.0%
Number of Branches³	0	1	4	5
% Total AA Branches	0.0%	20.0%	80.0%	100.0%
Branches in LMI Tracts	0	0	1	1
% of Total AA Branches in LMI Tracts	0.0%	0.0%	100.0%	100.0%
Branch Deposits (\$'000s)⁴	0	108,267	215,147	323,414
% of Total AA Deposits	0.0%	33.5%	66.5%	100.0%
Market Share in AA	0.0%	1.3%	0.3%	0.4%
Market Share Ranking in AA	0	13	21	25
Home Purchase Loans⁵	1	0	124	125
% of Total AA Home Purchases	0.8%	0.0%	99.2%	100.0%
Refinance Loans⁵	1	1	21	23
% of Total AA Refinances	4.3%	4.3%	91.3%	100.0%
Home Improvement Loans⁵	0	0	1	1
% of Total AA Home Improvement Loans	0.0%	33.5%	66.5%	100.0%
Multi-Family Loans⁵	0	0	26	26
% of Total AA Multi-Family Loans	0.0%	0.0%	100.0%	100.0%
HMDA Total Loans⁵	2	1	172	175
% of Total AA HMDA Loans	1.1%	0.6%	98.3%	100.0%
Small Business Loans⁵	3	17	58	78
% of Total AA Small Business Loans	3.8%	21.8%	74.4%	100.0%
Small Farm Loans	0	0	0	0
% of Total AA Small Farm Loans	0.0%	0.0%	0.0%	0.0%
Combined Loan Totals⁵	5	18	230	253
% of Total AA Combined Loans	2.0%	7.1%	90.9%	100.0%

(1) Demographic information obtained from the 2015 Census. (2) Business Establishments information reported by D&B for 2018 (MSA 28740 for 2017). (3) Branch numbers as of 12/31/2019. (4) Branch deposits and deposit market share from the FDIC as of 6/30/18. (5) Loans reported under HMDA reporting or Small Business Loans for years 2015 - 2018.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Empire’s overall record of meeting the credit needs of its assessment areas through its lending performance is rated Satisfactory. Empire’s loan-to-deposit (“LTD”) ratio was more than reasonable and a majority of its loans were originated within its assessment areas. The geographic distribution of loans also reflected reasonable penetration among geographies of different income levels throughout the bank’s assessment areas. The overall distribution of loans to borrowers of different income levels and businesses of different sizes was also reasonable based on a reasonable distribution to businesses of different sizes yet a poor distribution to borrowers of different income.

Loan-to-Deposit Ratio

This performance criterion determines the percentage of the bank’s deposit base that is reinvested in the form of loans and evaluates its appropriateness. The bank’s net LTD figures are calculated from the bank’s quarterly Call Reports. The ratio is based on total loans net of unearned income and net of the allowance for loan and lease losses (“ALLL”) as a percentage of total deposits. Empire’s average LTD ratio for the 16 quarters between January 1, 2015 and December 31, 2018 of 104.6% was more than reasonable given the bank’s size, financial condition, capacity to lend, capacity of other similarly situated institutions, lending opportunities, and assessment area credit needs. This ratio was above the national peer average of 83.1% and above the average of 84.1% for similarly situated banks with branches located in Empire’s assessment areas during the evaluation period. Empire’s average LTD ratio increased from the prior CRA evaluation period when the bank had an average LTD ratio of 91.0%.

The table below provides a comparison of the bank’s average LTD over the review period.

Loan-to-Deposit Ratio Comparison		
1/1/2015 – 12/31/2018		
Institution	Total Assets* ('000)	LTD Ratio**
Orange Bank & Trust	\$1,056,216	67.2%
Rhinebeck Bank	\$882,268	82.7%
Walden Savings Bank	\$570,760	75.3%
First Central Savings Bank	\$584,165	85.0%
American Community Bank	\$425,077	88.9%
Amerasia Bank	\$622,766	99.4%
Savoy Bank	\$349,511	89.9%
Empire State Bank	\$402,853	104.6%

Report of Condition and Income (Call Reports) 1/1/2015 to 12/31/2018.

**As of 12/31/2018*

***Average LTD from 01/01/2015 through 12/31/2018*

Lending in Assessment Areas

In 2015, 2016 and 2017, Empire originated a majority of its loans, 70.8% by number and 76.2% by dollar amount, in its assessment areas over the evaluation period from January 1, 2015 through December 31, 2017. This was an increase from 60.3% by number 63.9% by dollar amount at the previous evaluation. Empire originated 72.0% of its HMDA-related loans and 69.3% of its small business loans by number within its assessment areas January 1, 2015 through December 31, 2018. See the Lending Inside and Outside the Assessment Area table below for further details of the bank's lending.

Lending Inside and Outside the Assessment Area								
1/1/2015 -12/31/2017								
Loan Type	Inside				Outside			
	#	%	\$ (‘000s)	%	#	%	\$ (‘000s)	%
Home Purchase	58	69.9	32,906	73.4	25	30.1	11,930	26.6
Refinancing	10	83.3	5,895	87.9	2	16.7	810	12.1
Home Improvement	0	0	0	0	0	0	0	0
Multifamily Housing	9	75.0	5,333	82.5	3	25	1,130	17.5
Total HMDA Related	77	72.0	44,134	76.1	30	28.0	13,870	23.9
Small Business	61	69.3	21,731	76.5	27	30.7	6,662	23.5
All Loans	138	70.8	65,865	76.2	57	29.2	20,532	23.8

In 2018, Empire originated a majority of its loans, 65.0% by number and 71.9% by dollar amount, in its assessment areas over the evaluation period from January 1, 2018 through December 31, 2018. Empire originated 73.7% of its HMDA-related loans and 65.0% of its small business loans by number within its assessment areas over the same period. See the Lending Inside and Outside the Assessment Area table below for further details of the bank's lending.

Lending Inside and Outside the Assessment Area								
1/1/2018 -12/31/2018								
Loan Type	Inside				Outside			
	#	%	\$ (‘000s)	%	#	%	\$ (‘000s)	%
Home Purchase	67	72.0	45,506	71.5	26	28.0	18,126	28.5
Refinancing	13	72.2	10,242	79.5	5	27.8	2,633	20.5
Home Improvement	1	100	350	100	0	0	0	0
Multifamily Housing	17	81.0	14,614	76.8	4	19.0	4,421	23.2
Total HMDA Related	98	73.7	70,712	73.7	35	26.3	25,180	26.3
Small Business	17	38.6	8,257	59.5	27	61.4	5,619	40.5
All Loans	115	65.0	78,969	71.9	62	35.0	30,799	28.1

Geographic Distribution of Loans

Empire's overall geographic distribution of loans was reasonable based on the demographics and on exceeding the performance of the market aggregate of lending in LMI census tracts within the MD 35614 (Kings and Richmond Counties, NY) assessment area.

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

Empire's overall lending distribution among borrowers of different incomes (including LMI individuals) and businesses of different sizes was reasonable. This rating was a composite of poor performance lending to borrowers of different income, as evidenced by the overall low number of loans to LMI borrowers and underperforming the market aggregate, and the bank's reasonable performance lending to businesses of different sizes based primarily the bank's performance in the MD 35614 (Kings and Richmond Counties, NY) assessment area.

Response to Complaints

Empire received no complaints related to the bank's CRA performance. Since the previous evaluation, there were no CRA-related complaints filed with the Federal Reserve Bank of New York.

COMMUNITY DEVELOPMENT TEST

Empire's performance under the community development test was Satisfactory. Empire demonstrated adequate responsiveness to the community development needs of its assessment areas through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment areas. In addition, Empire's volume of community development qualified loans, investments, and services was comparable to similarly situated peer institutions.

During the evaluation period, Empire's community development loans and qualified investments totaled \$14.5 million, of which the majority were made within Empire's assessment areas. All qualified investments, totaling \$2.1 million, were purchased or invested during the current review period. Additionally, the bank made approximately \$160 thousand in qualified grants and donations.

The current evaluation is Empire's first as under Intermediate Small Institution Examination Procedures, so a comparison to the prior evaluation's community development loans and qualified investments was not possible as the bank did not submit any community development loans or

qualified investments under the Small Bank Procedures. Within its combined assessment areas, Empire’s qualified community development activities included originating \$9.4 million in loans and \$2.1 million in new investments. The evaluation of Empire’s community development activities considered Empire’s capacity, the need and availability of opportunities for community development in the assessment area, and the performance of local competitors and their responsiveness to community development needs. Empire’s community development performance in its assessment areas was determined to have met the needs of its assessment areas, therefore, the activities that benefited the broader statewide or regional areas that included the bank’s assessment areas, were also considered in the analysis. The following chart details Empire’s community development loans and qualified investments by geography.

Summary of Community Development Loans and Qualified Investments						
3/1/2016 -12/31/2019						
Geography or Assessment Area	Loans		Investments		Total	
	(\$000)	%	(\$000)	%	(\$000)	%
MD 35615 (Kings/Richmond Co, NY)	8,687	69.8	1,000	48.7	9,687	66.8
MD 35614 (Orange Co, NY)	750	6.0	1,052	51.3	1,802	12.4
MSA 28740 (Kingston, NY) ¹	0	0.0	0	0.0	0	0.0
Broader Statewide/Regional Area ²	3,006	24.2	0	0.0	3,006	20.7
Total	12,443	100.0	2,052	100.0	14,495	100.0

Empire’s community development program was responsive to community needs overall as identified by community contacts, which stated that affordable housing and economic development were critical needs throughout Empire’s assessment areas. In terms of dollar amount, affordable housing represented the majority of total activity at 83.3%, while community services represented 6.8%, economic development represented 4.7%, and revitalization and stabilization represented 5.2% of total activity. The following chart details Empire’s qualified community development and investment by designation.

¹ Empire’s only branch located in the MSA 28740 (Kingston, NY) assessment area was closed on June 2, 2017. The lack of community development loans and investments was consistent with the lack of HMDA lending in this assessment area as the bank was winding down operations in this market in advance of the branch closure.

² Empire originated six community development loans totaling approximately \$3 million in the Broader Statewide/Regional Area during the examination review period. Given that these community development loans accounted for 24.2% of the bank’s total community development lending, an analysis of these loans disclosed that each loan was originated in a county contiguous to the bank’s assessment areas and were complimentary to Empire’s ongoing community development efforts in the areas of affordable housing and economic development. Five of the loans provided affordable housing in LMI areas, a need for which was expressed by the community contacts interviewed during this examination, and one loan created new entry-level jobs for a start-up specialty retail business in a moderate-income census tract.

Summary of Community Development Loans and Qualified Investments By Primary Purpose Designation 3/1/2016 -12/31/2019						
Designation	Loans		Investments		Total	
	(\$000)	%	(\$000)	%	(\$000)	%
Affordable Housing	11,016	88.5	1,052	51.3	12,068	83.3
Community Services	0	0.0	1,000	48.7	1,000	6.8
Economic Development	677	5.4	0	0.0	677	4.7
Revitalize and Stabilize	750	6.1	0	0.0	750	5.2
Total	12,443	100.0	2,052	100.0	14,495	100.0

Empire’s community development program also included approximately 3,000 hours of qualified community development services. These activities were primarily designated in the areas of Community Service and Economic Development.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

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

METROPOLITAN AREA

MD 35614 (Kings & Richmond Counties, NY) Assessment Area

Full Review

DESCRIPTION OF OPERATIONS

The MD 35614 (Kings and Richmond Counties) assessment area is comprised of the entirety of Kings County (Brooklyn, NY) and Richmond County (Staten Island, NY), each being a borough of New York City, and located in MD 35614 (New York-Jersey City-White Plains, NY-NJ). The assessment area consists of a total of 128 square miles, approximately 22 miles from north to south and 18 miles from east to west. Empire's overall banking activities were primarily conducted within this assessment area. As of December 31, 2018, the bank operated four of its five branches (80.0%) in this assessment area, each equipped with a full-service ATM. Two branches are located in Kings County at 8701 3rd Avenue, Brooklyn, an upper-income census tract, and at 6923 18th Avenue, Brooklyn, a moderate-income census tract. The other two branches are located in Richmond County at 1361 North Railroad Avenue, Staten Island, an upper-income census tract, and at 1698 Victory Boulevard, Staten Island, a middle-income census tract. Empire also has a loan production office located at 2047 Victory Boulevard, Staten Island, with a cash-only ATM, in an upper-income census tract.

Branch deposits increased in this assessment area from \$84,661,000 (50.5% of total bank deposits) on June 30, 2015 to \$215,147,000 (66.5% of total bank deposits) on June 30, 2019. As of June 30, 2019, Empire's deposit market share was 0.3% ranking 21st of 43 banks in this assessment area. Bank competitors in this assessment area included JPMorgan Chase Bank, Citibank, Victory State Bank (merged with Northfield Bank on July 1, 2020), Richmond County Savings Bank (a division of New York Community Bank), and Investors Bank.

In 2015-2018, of the bank's 175 HMDA-related loan sample originated or purchased in all of its assessment areas, 98.3% were originated within the MD 35614 (Kings and Richmond Counties, NY) assessment area. Of the 78 small business loan sample originated or purchased in all of the bank's assessment areas, 74.4% were from within the MD 35614 (Kings and Richmond Counties, NY) assessment area. For additional assessment area data, see the Summary of Key Assessment Area Data table.

PERFORMANCE CONTEXT

The following demographic and economic information was obtained from publicly available sources that include the 2010 Census, 2015 ACS, FFIEC, D&B, HUD, U.S. Department of Labor, and the New York State Department of Labor.

Demographic Characteristics

In 2015 & 2016, the assessment area was comprised of the entirety of Richmond County (Staten Island, NY) and a portion of the contiguous Kings County (Brooklyn, NY). The Kings County portion of the assessment area was located in the western part of Kings County and was comprised of the neighborhoods of Sunset Park, Windsor Terrace, Kensington, Borough Park, Bensonhurst, Bath Beach, Dyker Heights, Fort Hamilton and Bay Ridge. In 2017, the assessment area was expanded to include the entirety of Kings County, thus this assessment area included the entirety of Kings and Richmond Counties. The delineation did not change in 2018.

From 2015 to 2018, the population of this AA increased from 1,114,386 to 3,067,740, an increase of 175.3%, largely due to this AA delineation’s expansion to include all of Kings County, as well as the change from using the 2010 census data in 2015 and the 2015 American Community Survey (“ACS”) census data in 2018.

In 2015 and 2016, of this assessment area’s 304 census tracts, 32 (10.5%) were low-income tracts, 100 (32.9%) were moderate-income tracts, 85 (28.0%) were middle-income tracts, 80 (26.3%) were upper-income tracts, and 7 (2.3%) tracts were designated as unknown-income. As a result of changes from the 2015 American Community Survey (ACS) and expansion of this assessment area delineation, in 2017 and 2018, this assessment area contained 871 census tracts of which 119 (13.7%) were low-income tracts, 291 (33.4%) were moderate-income tracts, 247 (28.4%) were middle-income tracts, 197 (22.6%) were upper-income tracts, and 17 (1.9%) tracts were designated as unknown-income.

Income Characteristics

In 2015 and 2016, income designations of the families in this assessment area were 27.2% low-income, 16.5% moderate-income, 17.5% middle-income, and 38.7% upper-income, with 13.1% living below the poverty line. In 2017 and 2018, the income designations were

FFIEC – Adjusted MFIs				
Area	2015	2016	2017	2018
MD 35614	\$71,300	\$72,600	\$73,700	\$78,000
New York State	\$60,000	\$58,900	\$62,500	\$64,300

32.7% low-income, 16.1% moderate-income, 16.5% middle-income, and 34.7% upper-income, with 18.0% living below the poverty line, evidencing an increase in the number of both families designated as low-income and families living below the poverty level. As shown in the table, the FFIEC-adjusted median family income for the entirety of MD 35614 (New York-Jersey City-

White Plains, NY-NJ) was \$71,300 in 2015, \$72,600 in 2016, \$73,700 in 2017, and \$78,000 in 2018.

In 2015 and 2016, the distribution of families among census tracts of different income designations was 9.4% in low-income tracts, 32.3% in moderate-income tracts, 25.9% in middle-income tracts, and 32.5% in upper-income tracts. In 2017 and 2018, the distribution was 16.5% in low-income tracts, 34.1% in moderate-income tracts, 26.6% in middle-income tracts, and 22.8% upper-income tracts.

Housing Characteristics

In 2015 and 2016, the MD 35614 (Kings and Richmond Counties, NY) assessment area had 408,425 housing units of which 46.5% were owner-occupied, 47.2% were rental, and 6.3% were vacant. Of the total housing units, 9.0% were located in low-income tracts, 32.8% in moderate-income tracts, 27.3% in middle-income tracts, 30.8% in upper-income tracts, and 0.003% in unknown-income tracts. In low-income census tracts, 22.9% of the housing units were owner-occupied, 70.0% were rental, and 7.1% were vacant. In moderate income-income census tracts, 28.5% were owner-occupied, 64.8% were rental, and 6.6% were vacant. In 2017 and 2018, the number of housing units increased to 1,195,418 of which 32.3% were owner-occupied, 59.5% were rental, were 8.2% were vacant. Of the total housing units, 15.7% were located in low-income tracts, 34.5% in moderate-income tracts, 26.3% in middle-income tracts, 23.5% in upper-income tracts, and 0.02% in unknown-income tracts. In low-income census tracts, 10.7% of the housing units were owner-occupied, 81.9% were rental, and 7.3% were vacant. In moderate-income census tracts, 21.9% were owner-occupied, 68.8% were rental, and 9.3% were vacant.

In 2015 and 2016, the median age of housing stock in the MD 35614 (Kings and Richmond Counties, NY) assessment area was 61 years, with 52.6% of the stock built before 1950. The median age of housing stock was 61 years in each of low-income, moderate-income, and middle-income tracts, and 42 years in upper-income tracts. In 2017 and 2018, 54.8% of the housing stock was built before 1950. And while the median age of housing stock in the assessment area was 61 years in each of the census tract designations, in Kings County the median age of housing stock was 76 years and in Richmond County the median age was 43 years.

In 2015 and 2016, the median housing value in the MD 35614 (Kings and Richmond Counties, NY) assessment area was \$514,506 with an affordability ratio of 10.5. The median housing value in 2017 and 2018, the assessment area now containing two full counties, was \$570,200 in Kings County and \$439,500 in Richmond County, with affordability ratios of 8.5 and 16.7, respectively. Overall, the median housing value in this assessment area was \$512,464 with an affordability ratio of 10.1. Also, in 2017 and 2018, the median housing value in the entire MD 35614 was \$413,786, the housing stock median age was 60, and the affordability ratio was 14.9.

In 2015 and 2016, the median gross rent in the MD 35614 (Kings and Richmond Counties, NY) assessment area was \$1,090 per month with 52.9% of all renters having rental costs that exceeded 30% of their income. The median gross rent increased in 2017 and 2018 to \$1,215 in Kings County and \$1,169 in Richmond County, with 52.3% and 48.7%, respectively, of renters having rental costs that exceeded 30% of their income. Overall, in 2017 and 2018, the median gross rent in this assessment area was \$1,211 per month, with 52.0% of renters having rental costs that exceeded 30% of their income.

Labor, Employment and Economic Characteristics

Long term economic trends in this assessment area indicated an increase in employment in the construction, health care, transportation, and services industries. Overall, the annual unemployment rate declined in this AA during the review period. According to the Bureau of Labor Statistics, the 2015 annual unemployment rate in Kings County was 5.9%, in 2016 was 5.3%, in 2017 was 4.7%, and in 2018 was 4.3%. In Richmond County, the 2015 rate was 5.8%, in 2016 was 5.2%, in 2017 was 4.7%, and in 2018 was 4.2%. During the same period in MD 35614, the 2015 rate was 5.5%, in 2016 was 5.0%, in 2017 was 4.5%, and in 2018 was 4.1%. The annual unemployment rate for New York State also declined as the 2015 rate was 5.3%, in 2016 was 4.9%, in 2017 was 4.7%, and in 2018 was 4.1%.

U.S. DEPARTMENT OF LABOR ANNUAL UNEMPLOYMENT RATES				
Area	2015	2016	2017	2018
Kings County	5.9%	5.3%	4.7%	4.3%
Richmond County	5.8%	5.2%	4.7%	4.2%
MD 35614	5.5%	5.0%	4.5%	4.1%
New York State	5.3%	4.9%	4.7%	4.1%

From 2015 to 2018, the number of businesses significantly increased despite a temporary decline in 2016. The overall large increase in the number of businesses can be partially attributed to the expansion of this AA in 2017 to include the entirety of Kings County. However, just in the one-year period from 2017 to 2018, the number of businesses increased 22.8% with no change in this AA’s delineation.

In 2018, the number of businesses was 111,718 with 93.5% having gross annual revenues of \$1 million or less. Of the businesses with annual revenues under \$1 million or less, 12.5% were located in low-income tracts, 30.3% in moderate-income tracts, 26.2% in middle-income tracts, 30.3% in upper-income tracts, and 0.7% in unknown-income tracts.

Community Contacts

In order to learn more about community credit needs, examiners conducted two community contacts with non-profit organizations in the assessment area. One interview was with a non-profit community development corporation. The entity’s representative stated that assistance for

homeowners to keep their current home is an urgent need for which funding is increasingly difficult to obtain. Homeowner preservation may include counseling, refinancing, home repair or home weatherization loans. Small dollar loans are needed small businesses to spur economic development.

A second interview was conducted with a representative of another non-profit organization that provides assistance to small businesses to serve as a catalyst for the community's economic development efforts and to help revitalize neighborhoods. The contact shared that loans and grants are needed to assist LMI individuals and families to acquire and maintain affordable housing. The contact also noted there was not enough housing for LMI families and shared the need for more multifamily affordable housing. The contact stated that small local small businesses need access to small dollar loans, as well as a lender's willingness to accept alternate types of credit history when underwriting these loans. Additional assessment area information can be found in the Assessment Area Demographics table on the following page.

Assessment Area Demographics								
MD 35614 (Kings and Richmond Counties, NY) 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	119	13.7	117,178	16.5	45,063	38.5	231,911	32.7
Moderate-income	291	33.4	241,771	34.1	51,508	21.3	114,180	16.1
Middle-income	247	28.4	188,082	26.5	22,020	11.7	116,791	16.5
Upper-income	197	22.6	161,503	22.8	8,703	5.4	245,764	34.7
Unknown-income	17	2.0	112	0.0	34	30.4	0	0.0
Total Assessment Area	871	100.0	708,646	100.0	127,328	18.0	708,646	100.0
	Housing Units by Tract	Housing Types by Tract						
		Owner-Occupied			Rental		Vacant	
		#	%	%	#	%	#	%
Low-income	187,710	20,121	5.2	10.7	153,795	81.9	13,794	7.3
Moderate-income	412,071	90,250	23.3	21.9	283,600	68.8	38,221	9.3
Middle-income	314,938	132,405	34.2	42.0	156,883	49.8	25,650	8.1
Upper-income	280,517	143,848	37.2	51.3	116,509	41.5	20,160	7.2
Unknown-income	182	93	0.0	51.1	66	36.3	23	12.6
Total Assessment Area	1,195,418	386,717	100.0	32.3	710,853	59.5	97,848	8.2
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million			Over \$1 Million		Revenue Not Reported	
		#	%	#	%	#	%	#
Low-income	14,047	12.6	13,048	12.5	906	13.8	93	14.3
Moderate-income	33,792	30.2	31,638	30.3	1,974	30.0	180	27.7
Middle-income	29,080	26.0	27,346	26.2	1,567	23.9	167	25.7
Upper-income	33,761	30.2	31,712	30.3	1,845	28.1	204	31.4
Unknown-income	1,038	0.9	755	0.7	278	4.2	5	0.8
Total Assessment Area	111,718	100.0	104,499	100.0	6,570	100.0	649	100.0
Percentage of Total Businesses:				93.5		5.9		.6

2018 FFIEC Census Data and 2018 D&B Information

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

LENDING TEST

Overall, Empire's lending performance in MD 35614 (Kings and Richmond Counties, NY) was considered reasonable based on a reasonable geographic distribution of lending and reasonable penetration among and businesses of different sizes. However, the bank's performance in lending to individuals of different income levels was considered poor. Empire's lending performance each year of the review period was compared to the corresponding year of the aggregate of all lenders required to report HMDA and small business data within the assessment area. See the Aggregate Comparison Loan Distribution tables in CRA Appendix A for details of Empire's 2015, 2016, 2017 and 2018 geographic distribution of lending and loan distribution by borrower income and business revenue size. Home refinance, home improvement, and multifamily loans were excluded from the analysis as the volume was too insignificant for analysis due to the bank's business model.

Geographic Distribution of Loans

Empire's overall geographic distribution of loans reflected reasonable dispersion throughout the entire assessment area, including LMI census tracts, when considering the bank's structure and size coupled with the assessment area's performance context. The bank's overall low lending penetration was impacted by Empire's business strategy as a commercial lender, the bank's asset size, and small market share in a large, heavily populated and heavily banked area. Within this assessment area, FDIC's bank data reports that Kings County has 40 banks with 359 branches and Richmond County has 17 banks with 107 branches. Despite the described lending challenges, Empire's dispersion improved each year throughout the review period and, in 2018, Empire penetrated 10.0% of the census tracts with a reported income. In 2017, Empire penetrated 5.6% of the census tracts in the assessment area, in 2016, 3.3%, and in 2015 2.3%.

Empire's penetration in low-income census tracts was lower than that in other income designations. However, performance context information indicated that there were challenges in making loans in low-income census tracts due to high cost of housing in this assessment area as described above and in earlier sections of this evaluation. According to the 2015 ACS, only 5.2% of the owner-occupied housing units and 16.5% of families in the MD 35614 (Kings and Richmond Counties, NY) assessment area were located in low-income census tracts evidencing yet another lending challenge. Of the total housing located in low-income census tracts, 1-4 family unit properties made up 33.6%. In addition, 35.4% of all families living in low-income census tracts had incomes below the poverty level, which further limited lending opportunities. All financial institutions lending in this assessment area experienced the effects of these lending challenges as evidenced by the performance of the market aggregate which, in 2018, made just 8.3% of its HMDA-related loans in low-income census tracts while Empire made 10.2%, exceeding the market aggregate. The bank's performance in 2016 was comparable to 2018. In 2015 and 2017,

Empire originated one loan in each year in low-income census tracts, a volume too insignificant for comparison to the market aggregate.

Empire faced similar lending challenges in penetrating moderate-income census tracts. However, the bank showed a marked increase in the penetration of both low- and moderate-income census tracts over the review period. In 2018, 23.3% of the owner-occupied housing units and 34.1% of families in the assessment area were located in moderate-income census. However, 40.5% of these families had incomes below the poverty level, further impeding lending opportunities in the assessment area. Of all housing in the assessment area located in moderate-income geographies, 1-4 family unit properties made up 50.1%. Despite a high poverty rate, as well as the same lending challenges detailed above, Empire significantly outperformed the market aggregate, which in 2018, made 24.1% of its HMDA-related loans in moderate-income census tracts, by number, while Empire made 40.8% of its loans in moderate-income census tracts. In 2015, 2016, and 2017, the bank's performance also exceeded the market aggregate by similar margins as in 2018. Empire's HMDA-related lending performance in moderate-income census tracts resulted in substantially outperforming the market aggregate despite its relatively small asset size operating in this heavily banked assessment area dominated by regional and nationwide lenders. Evidence of this size disparity was illustrated in the FDIC Deposit Market Share Report as of June 30, 2019, which reported that four nationwide banks hold 57.4% of this assessment area's deposits while Empire's market share was 0.3%. The table below provides details on Empire's lending penetration by census tract income level.

MD 35614 (Kings and Richmond Counties, NY) Assessment Area			
Tract Income Levels	Number of Tracts	Tracts with no Loans	Penetration
2018			
Low	119	110	7.6%
Moderate	291	256	12.0%
Middle	247	222	10.1%
Upper	197	179	9.1%
Unknown	17	17	0.0%
Total Tracts	871	784	10.0%
2017			
Low	119	116	2.5%
Moderate	291	270	7.2%
Middle	247	234	5.3%
Upper	197	185	6.1%
Unknown	17	17	0.0%
Total Tracts	871	822	5.6%
2016			
Low	128	125	2.3%
Moderate	306	298	2.6%
Middle	246	236	4.1%
Upper	176	168	4.5%
Unknown	16	16	0.0%
Total Tracts	872	843	3.3%
2015			
Low	128	126	1.6%
Moderate	306	300	2.0%
Middle	246	240	2.4%
Upper	176	170	3.4%
Unknown	16	16	0.0%
Total Tracts	872	852	2.3%

Home Purchase Loans

Empire’s overall home purchase lending distribution was considered reasonable in light of demographic and performance context challenges, particularly related to the cost and availability of owner-occupied housing in low-income census tracts in the assessment area.

Empire’s home purchase lending performance in low-income census tracts was reasonable when compared to demographics and the market aggregate. In 2018, the bank originated 9.0% of its home purchase loans in low-income census tracts by number and 10.1% by dollar volume. According to the 2015 ACS, 5.2% of owner-occupied housing units were located in low-income census tracts. The bank exceeded the performance of the market aggregate, which in 2018, made 7.1% by number and 7.4% by dollar in low-income census tracts. Home purchase lending performance in low-income census tracts in 2016 also exceeded the market aggregate. In 2015, Empire originated one home purchase loan, and in 2017, the bank did not originate any home purchase loans in a low-income census tract.

Empire’s home purchase lending performance in moderate-income census tracts was excellent

when compared to demographics and the market aggregate. In 2018, the bank originated 35.8% of its home purchase loans in moderate-income census tracts by number and 40.6% by dollar volume while the 2015 ACS indicated that 23.3% of owner-occupied housing units were located in moderate-income census tracts. Empire's performance in moderate-income census tracts substantially exceeded the market aggregate, which in 2018, made 23.0% of its home purchase loans in moderate-income census tracts by number and 22.7% by dollar volume. In 2017, Empire originated 54.5% of its home purchase loans in moderate-income census tracts by number and 63.6% by dollar volume, again significantly exceeding the market aggregate which made 20.8% by number and 20.4% by dollar volume. Lending performance in moderate-income census tracts in 2015 and 2016 also exceeded the market aggregate.

Small Business Loans

Empire's overall small business lending performance in LMI geographies was reasonable when compared to D&B business establishment data and the market aggregate. Small business performance in low-income census tracts was poor. In 2018, Empire made no small business loans in low-income census tracts while 12.5% of all businesses were located in low-income census tracts, and the market aggregate was 16.4% of its small business loans by number and 17.1% by dollar in low-income census tracts. In 2017, Empire made 11.8% of its small business loans in low-income census tracts by number and 10.8% by dollar, given that 12.6% of all businesses were located in low-income census tracts. Empire's performance was below the market aggregate, which made 18.0% of its small business loans by number and 17.5% by dollar volume. Empire's performance in 2015 and 2016 was comparable to its 2017 performance.

In moderate-income census tracts, Empire's small business lending performance was reasonable. In 2018, Empire made 53.3% of its small business loans in moderate-income census tracts by number and 50.5% by dollar volume while 30.2% of all businesses were located in moderate-income census tracts. Empire's performance was substantially above the market aggregate, which made 30.6% of its small business loans by number and 30.3% by dollar in moderate-income census tracts in 2018. In 2017, Empire made 23.5% of its small business loans in moderate-income census tracts by number and 26.8% by dollar, given that 30.3% of all businesses were located in moderate-income census tracts while the market aggregate made 30.6% of its small business loans by number and 29.8% by dollar volume. Empire's performance in 2015 was comparable to 2017. In 2016, the bank made just one loan in a moderate-income census tract.

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

Lending performance in the assessment area showed poor penetration to low-income borrowers, reasonable penetration to moderate-income borrowers, and reasonable penetration among businesses of different sizes. Housing was generally not affordable to low- and moderate-income

borrowers in the MD 35614 (Kings and Richmond Counties, NY) assessment area as the Median Housing Value in the assessment area was approximately 17.3 times the income of low-income borrowers and 13.1 times the income of moderate-income borrowers. As a point of reference, home affordability may also be illustrated when noting that 34.7% of the families in this assessment area were upper-income while at the same time, 32.3% of the housing units were owner-occupied.

Home Purchase Loans

Empire's overall lending distribution of home purchase loans to LMI borrowers was poor based on poor distribution to low-income borrowers and reasonable distribution to moderate-income borrowers.

Performance in home purchase lending to low-income borrowers was poor. From 2015 through 2018, Empire made none of its home purchase loans to low-income borrowers while 32.7% of the families in the assessment area were low-income. However, the market aggregate was comparable at 1.1%, 0.9%, 1.2% and 1.2% in years 2018, 2017, 2016, and 2015, respectively.

Performance in home purchase lending to moderate-income borrowers was reasonable. In 2018, 4.5% of Empire's home purchase loans by number and 3.1% by dollar volume were made to moderate-income borrowers while 16.1% of families in the assessment area were moderate-income. Empire's performance was comparable to the market aggregate, which made 6.9% of its home purchase loans by number and 3.3% by dollar volume to moderate-income borrowers in 2018. In 2016, Empire's performance exceeded the market demographics with 22.2% of home purchase loans by number and 21.0% by dollar volume made to moderate-income borrowers while the market aggregate made 8.1% by number and 3.9% by dollar volume. In 2015, Empire made none of its home purchase loans to moderate-income borrowers and, in 2017, originated one loan.

Small Business Loans

The overall level of lending to small businesses was reasonable. In 2018, Empire made 86.7% by number and 89.5% by dollar volume of its small business loans to businesses with GAR of \$1 million or less while 93.5% of all businesses in the assessment area had GAR of \$1 million or less. Empire’s lending performance was above the aggregate, which made only 41.2% of its loans by number and 30.9% by dollar volume to businesses with GAR of \$1 million or less. Performance in 2015, 2016, and 2017 was similar to that of 2018.

During 2018, 13.3% by number and 1.61% by dollar volume of Empire’s loans to small businesses were in amounts of \$100,000 or less. Empire’s performance was significantly below the aggregate which originated 96.1% of its loans by number and 51.6% by dollar volume in amounts of \$100,000 or less. Of the bank’s small business loans, 6.7% by number were between \$100,000 and \$250,000 while the market aggregate was 2.3% and 80.0% of the bank’s small business loans were between \$250,000 and \$1 million while the aggregate was 1.6%. Performance in 2015, 2016 and 2017 was comparable to that of 2018.

COMMUNITY DEVELOPMENT TEST

Empire’s performance under the community development test in MD 35614 (Kings and Richmond Counties, NY) is rated Satisfactory. Empire demonstrated overall adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services. This evaluation also considered Empire’s capacity, the need and availability of opportunities for community development in the assessment area, and the performance of local competitors and their responsiveness to community development needs. Empire’s performance of community development activities was comparable with peer institutions in the assessment area.

Summary of Community Development Loans and Qualified Investments By Primary Purpose Designation 3/1/2016 -12/31/2019 MD 35614 (Kings and Richmond Counties, NY) Assessment Area						
Designation	Loans		Investments		Total	
	(\$000)	%	(\$000)	%	(\$000)	%
Affordable Housing	8,687	100.0	0	0	8,687	89.7
Community Services	0	0	1,000	100.0	1,000	10.3
Economic Development	0	0	0	0	0	0
Revitalize and Stabilize	0	0	0	0	0	0
Total	8,687	100.0	1,000	100.0	9,687	100.0

The bank’s community development loans and investment activity in MD 35614 (Kings and Richmond Counties, NY) assessment area totaled \$9.7 million, which represented 66.8% of the

institution's total activity across all assessment areas. Empire's community development loans and investments were comparable to similarly situated banks in the assessment area.

Community Development Loans

Community development loans in the MD 35614 (Kings and Richmond Counties, NY) assessment area totaled \$8.7 million. Community development lending was focused on the provision of affordable housing and was responsive to the community's need for affordable housing. Examples of community development loans include:

- A \$570,000 loan to an entity to provide six units of affordable housing in a moderate-income census tract.
- An \$800,000 loan to an entity to provide six units of affordable house, four of which are rented by a social services organization for LMI clients in need of safe and affordable housing.
- A \$325,000 loan to an entity to provide six units of affordable housing in a low-income census tract.

Community Development Investments

Community development investment activity in the MD 35614 (Kings and Richmond Counties, NY) assessment area consisted of a \$1.0 million qualified investment in an institution that is both a minority-owned financial institution and a qualified Community Development Financial Institution ("CDFI"). Additionally, Empire contributed \$116,198 in philanthropic grants and donations. The grants and donations were made primarily for community service activities. The community development investment was a new investment made during the current review period.

Community Development Services

Four bank employees served on the boards and committees of 9 community development organizations. Examples include:

- A bank officer served as treasurer on the board of directors for an economic development corporation.
- A bank officer served on the small business committee of a local chamber of commerce.

METROPOLITAN AREA

MD 35614 (Orange County, NY) Assessment Area

Limited Review

DESCRIPTION OF OPERATIONS

A limited evaluation of Empire’s performance in the MD 35614 (Orange County, NY) assessment area was completed. According to the 2015 ACS, this assessment area had 10.7% of the population of Empire’s assessment areas and, according to 2018 D&B data, 13.1% of all business establishments. Key demographic highlights are listed below.

Assessment Area Demographics				
MD 35614 (Orange County, NY) Assessment Area				
Income Category	Tract Distribution		Percentage of Owner-Occupied Housing Units by Tract	Percentage of Families by Income Level
	#	%		
Low Income	5	6.3	1.8	18.3
Moderate Income	11	13.9	7.8	13.6
Middle Income	19	24.1	22.9	18.5
Upper Income	44	55.7	67.5	49.6
Unknown	0	0	0.0	0.0
Total	79	100.0	100.0	100.0

During the evaluation period, Empire operated one branch in this assessment area which accounted for 33.5% of bank-wide deposits as of June 30, 2019. Lending activity represented 0.6% of the total HMDA-related lending in all of the bank’s assessment areas. Additional information can be found in the Summary of Key Assessment Area Data table.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Empire’s performance in the MD 35614 (Orange County, NY) assessment area was below its overall Satisfactory performance, which was based on the full-scope assessment area performance.

Assessment Area	Lending Test	Community Development Test
MD 35614 (Orange County, NY)	Below	Consistent

During the evaluation period, Empire's performance under the lending test was below the bank's reasonable performance related to borrower distribution. During the evaluation period, Empire made just one HMDA-related loan in this assessment area, to a moderate-income borrower, and was this loan was originated in a middle-income census tract. During the review period, Empire made 17 small business loans, 6 of which (35.3%) were made to businesses with GAR of \$1 million or less. Refer to the Aggregate Comparison Loan Distribution tables in CRA Appendix A for details of the bank's 2015, 2016 and 2017 performance.

Performance under the community development test was consistent with Empire's Satisfactory performance, with \$1.8 million in community development loans and investments in the MD 35614 (Orange County, NY) assessment area. Additionally, Empire contributed \$38,880 in philanthropic grants and donation in this assessment area.

METROPOLITAN AREA

MSA 28740 (Kingston, NY) Assessment Area

Limited Review

DESCRIPTION OF OPERATIONS

A limited evaluation of Empire’s performance in the MSA 28740 (Kingston, NY) assessment area was completed through 2017, when this assessment area was eliminated upon the closure of the bank’s only branch in this assessment area on June 2, 2017. At the time of the branch closure, according to the 2015 ACS, the MSA 28740 (Kingston, NY) assessment area had 1.4% of the population of Empire’s assessment areas and according to 2017 D&B data, 1.5% of all business establishments. Key demographic highlights are listed below.

Assessment Area Demographics				
MSA 28740 (Kingston, NY) Assessment Area				
Income Category	Tract Distribution		Percentage of Owner-Occupied Housing Units by Tract	Percentage of Families by Income Level
	#	%		
Low Income	0	0.0	0.0	19.0
Moderate Income	0	0.0	0.0	15.2
Middle Income	5	50.0	49.3	18.8
Upper Income	5	50.0	50.7	47.0
Unknown	0	0.0	0.0	0.0
Total	10	100.0	100.0	100.0

Additional information can be found in the Summary of Key Assessment Area Data table.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Empire’s performance in the MSA 28740 (Kingston, NY) assessment area was below the bank’s overall Satisfactory performance.

Assessment Area	Lending Test	Community Development Test
MSA 28740 (Kingston, NY)	Below	Below

During the evaluation period, Empire’s performance under the lending test was below the bank’s overall reasonable performance. Empire made just two HMDA-related loans, neither of which

were made to a LMI borrower, compared to 34.2% LMI families in the assessment area. During the review period, Empire made three small business loans, none of which were made to businesses with GAR of \$1 million or less. Empire's geographic distribution of loans was not evaluated as there were no low- or moderate-income geographies in the assessment area. Refer to the Aggregate Comparison Loan Distribution tables in CRA Appendix A for details of the bank's 2015, 2016 and 2017 performance.

The bank's community development test performance was below the bank's Satisfactory performance, with no community development loans or investments in the MSA 28740 (Kingston, NY) assessment area. However, at the time of the branch closure and the removal of this assessment area, Empire was evaluated under the Small Institution CRA Examination Procedures, which do not require a community development test. Despite the change in assessment area and exam procedures, Empire contributed approximately \$3,500 in grants and donations.

CRA APPENDIX A

2018 Aggregate Comparison Loan Distribution Table

Assessment Area: MD 35614 - Kings & Richmond Counties

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)
Home Purchase										
Low	6	9.0%	10.1%	7.1%	7.4%	0	0.0%	0.0%	1.7%	1.1%
Moderate	24	35.8%	40.6%	23.0%	22.7%	3	4.5%	3.1%	6.9%	3.3%
Middle	24	35.8%	32.9%	31.2%	26.7%	11	16.4%	15.2%	17.7%	11.1%
Upper	13	19.4%	16.4%	38.7%	43.2%	15	22.4%	21.6%	60.0%	70.7%
Unknown	0	0.0%	0.0%	0.0%	0.0%	38	56.7%	60.0%	13.7%	13.7%
Total	67	100.0%	100.0%	100.0%	100.0%	67	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	1	7.7%	6.8%	9.6%	11.5%	0	0.0%	0.0%	3.4%	2.0%
Moderate	7	53.8%	40.0%	24.3%	27.5%	0	0.0%	0.0%	8.1%	4.2%
Middle	2	15.4%	8.2%	30.4%	26.6%	0	0.0%	0.0%	17.4%	12.1%
Upper	3	23.1%	45.0%	35.6%	34.2%	4	30.8%	45.4%	55.9%	62.5%
Unknown	0	0.0%	0.0%	0.1%	0.1%	9	69.2%	54.6%	15.2%	19.2%
Total	13	100.0%	100.0%	100.0%	100.0%	13	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	7.3%	11.2%	0	0.0%	0.0%	2.1%	1.0%
Moderate	1	100.0%	100.0%	19.8%	21.9%	0	0.0%	0.0%	5.3%	3.0%
Middle	0	0.0%	0.0%	29.6%	25.7%	0	0.0%	0.0%	15.0%	9.4%
Upper	0	0.0%	0.0%	43.3%	41.2%	0	0.0%	0.0%	74.2%	77.6%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	100.0%	100.0%	3.4%	9.0%
Total	1	100.0%	100.0%	100.0%	100.0%	1	100.0%	100.0%	100.0%	100.0%
Multi-Family										
Low	3	17.6%	20.7%	14.8%	14.2%	0	0.0%	0.0%	0.0%	0.0%
Moderate	8	47.1%	38.1%	42.4%	44.2%	0	0.0%	0.0%	0.1%	0.0%
Middle	4	23.5%	23.1%	20.9%	19.0%	0	0.0%	0.0%	0.0%	0.0%
Upper	2	11.8%	18.1%	21.8%	22.6%	0	0.0%	0.0%	0.2%	0.0%
Unknown	0	0.0%	0.0%	0.1%	0.0%	17	100.0%	100.0%	99.7%	100.0%
Total	17	100.0%	100.0%	100.0%	100.0%	17	100.0%	100.0%	100.0%	100.0%
HMDA Totals										
Low	10	10.2%	11.7%	8.3%	10.6%	0	0.0%	0.0%	2.2%	0.9%
Moderate	40	40.8%	40.3%	24.1%	30.8%	3	3.1%	2.0%	6.8%	2.4%
Middle	30	30.6%	27.1%	30.3%	24.1%	11	11.2%	9.8%	16.5%	7.7%
Upper	18	18.4%	20.8%	37.2%	34.4%	19	19.4%	20.5%	56.8%	45.9%
Unknown	0	0.0%	0.0%	0.0%	0.0%	65	66.3%	67.7%	17.7%	43.1%
Total	98	100.0%	100.0%	100.0%	100.0%	98	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)		Bank %	% \$(000s)	Aggregate %	% \$(000s)
Low	0	0.0%	0.0%	16.4%	17.1%		16.4%	17.1%		
Moderate	8	53.3%	50.5%	30.6%	30.3%		30.6%	30.3%		
Middle	4	26.7%	28.0%	24.1%	23.4%		24.1%	23.4%		
Upper	3	20.0%	21.5%	27.6%	26.2%		27.6%	26.2%		
Unknown	0	0.0%	0.0%	1.1%	2.9%		1.1%	2.9%		
Tract Unknown	0	0.0%	0.0%	0.3%	0.1%		0.3%	0.1%		
Total	15	100.0%	100.0%	100.0%	100.0%		100.0%	100.0%		100.0%
By Revenue										
\$1 Million or Less	13	86.7%	89.5%	41.2%	30.9%		41.2%	30.9%		
By Loan Size										
\$100,000 or less	2	13.3%	1.6%	96.1%	51.6%		96.1%	51.6%		
\$100,001-\$250,000	1	6.7%	2.6%	2.3%	14.6%		2.3%	14.6%		
\$250,001-\$1 Million	12	80.0%	95.8%	1.6%	33.8%		1.6%	33.8%		
Total	15	100.0%	100.0%	100.0%	100.0%		100.0%	100.0%		100.0%

Originations and Purchases

2017 Aggregate Comparison Loan Distribution Table
Assessment Area: MD 35614 - Kings & Richmond Counties

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	6.3%	6.9%	0	0.0%	0.0%	1.6%	0.9%
Moderate	18	54.5%	63.6%	20.8%	20.4%	1	3.0%	1.1%	6.9%	3.1%
Middle	8	24.2%	19.4%	31.8%	26.7%	8	24.2%	23.5%	18.0%	10.7%
Upper	7	21.2%	17.0%	41.0%	45.9%	12	36.4%	28.3%	61.9%	73.1%
Unknown	0	0.0%	0.0%	0.1%	0.1%	12	36.4%	47.1%	11.5%	12.2%
Total	33	100.0%	100.0%	100.0%	100.0%	33	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	1	20.0%	22.9%	8.9%	10.1%	0	0.0%	0.0%	2.3%	1.3%
Moderate	3	60.0%	50.9%	25.9%	27.6%	0	0.0%	0.0%	7.0%	3.9%
Middle	0	0.0%	0.0%	30.8%	27.4%	1	20.0%	14.6%	18.7%	13.4%
Upper	1	20.0%	26.1%	34.3%	34.8%	3	60.0%	58.5%	56.7%	64.6%
Unknown	0	0.0%	0.0%	0.1%	0.1%	1	20.0%	26.9%	15.3%	16.8%
Total	5	100.0%	100.0%	100.0%	100.0%	5	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	7.2%	8.9%	0	0.0%	0.0%	3.3%	1.4%
Moderate	0	0.0%	0.0%	25.8%	29.6%	0	0.0%	0.0%	9.6%	4.1%
Middle	0	0.0%	0.0%	30.9%	27.0%	0	0.0%	0.0%	19.2%	13.9%
Upper	0	0.0%	0.0%	36.1%	34.6%	0	0.0%	0.0%	58.3%	63.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	9.5%	17.6%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	16.9%	19.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	5	83.3%	86.1%	42.2%	35.4%	0	0.0%	0.0%	0.0%	0.0%
Middle	1	16.7%	13.9%	17.7%	18.1%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	23.2%	27.5%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	6	100.0%	100.0%	100.0%	100.0%
Total	6	100.0%	100.0%	100.0%	100.0%	6	100.0%	100.0%	100.0%	100.0%
HMDA Totals										
Low	1	2.3%	3.3%	7.5%	9.5%	0	0.0%	0.0%	1.9%	0.9%
Moderate	26	59.1%	65.0%	23.3%	24.6%	1	2.3%	0.8%	6.8%	2.8%
Middle	9	20.5%	15.8%	31.1%	25.6%	9	20.5%	18.8%	17.8%	9.8%
Upper	8	18.2%	15.9%	38.1%	40.2%	15	34.1%	28.7%	58.3%	59.8%
Unknown	0	0.0%	0.0%	0.1%	0.1%	19	43.2%	51.7%	15.1%	26.7%
Total	44	100.0%	100.0%	100.0%	100.0%	44	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank			Aggregate					
		%	% \$(000s)		%	% \$(000s)				
Low	2	11.8%	10.8%		18.0%	17.5%				
Moderate	4	23.5%	26.8%		30.6%	29.8%				
Middle	6	35.3%	39.3%		23.9%	24.3%				
Upper	5	29.4%	23.0%		26.2%	25.5%				
Unknown	0	0.0%	0.0%		1.0%	2.8%				
Tract Unknown	0	0.0%	0.0%		0.3%	0.2%				
Total	17	100.0%	100.0%		100.0%	100.0%				
By Revenue										
\$1 Million or Less	16	94.1%	94.3%		52.3%	37.2%				
By Loan Size										
\$100,000 or less	0	0.0%	0.0%		96.3%	51.2%				
\$100,001-\$250,000	1	5.9%	2.3%		2.1%	13.9%				
\$250,001-\$1 Million	16	94.1%	97.7%		1.6%	35.0%				
Total	17	100.0%	100.0%		100.0%	100.0%				

Originations and Purchases

2016 Aggregate Comparison Loan Distribution Table
Assessment Area: MD 35614 - Kings & Richmond Counties

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	Aggregate % \$(000s)	Bank %	Aggregate % \$(000s)	#	Bank %	Aggregate % \$(000s)	Bank %	Aggregate % \$(000s)
Home Purchase										
Low	3	16.7%	20.9%	7.2%	8.0%	0	0.0%	0.0%	1.9%	1.2%
Moderate	6	33.3%	35.4%	25.1%	25.6%	4	22.2%	21.0%	8.1%	3.9%
Middle	7	38.9%	34.3%	30.3%	26.6%	3	16.7%	19.3%	19.0%	12.0%
Upper	2	11.1%	9.4%	37.3%	39.6%	1	5.6%	5.6%	59.5%	69.9%
Unknown	0	0.0%	0.0%	0.0%	0.1%	10	55.6%	54.2%	11.4%	13.0%
Total	18	100.0%	100.0%	100.0%	100.0%	18	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	8.1%	9.4%	0	0.0%	0.0%	2.2%	1.3%
Moderate	1	100.0%	100.0%	25.1%	26.8%	0	0.0%	0.0%	6.8%	3.7%
Middle	0	0.0%	0.0%	29.8%	26.6%	0	0.0%	0.0%	17.8%	12.9%
Upper	0	0.0%	0.0%	37.0%	37.2%	1	100.0%	100.0%	56.0%	63.4%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	17.1%	18.7%
Total	1	100.0%	100.0%	100.0%	100.0%	1	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	7.2%	8.5%	0	0.0%	0.0%	4.0%	1.6%
Moderate	0	0.0%	0.0%	31.3%	32.8%	0	0.0%	0.0%	10.1%	4.2%
Middle	0	0.0%	0.0%	25.2%	22.0%	0	0.0%	0.0%	19.5%	12.4%
Upper	0	0.0%	0.0%	36.3%	36.7%	0	0.0%	0.0%	59.5%	68.5%
Unknown	0	0.0%	0.0%	0.1%	0.0%	0	0.0%	0.0%	6.8%	13.3%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	13.6%	13.5%	0	0.0%	0.0%	0.0%	0.0%
Moderate	2	100.0%	100.0%	46.8%	48.6%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	20.9%	21.5%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	18.6%	16.5%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	2	100.0%	100.0%	100.0%	100.0%
Total	2	100.0%	100.0%	100.0%	100.0%	2	100.0%	100.0%	100.0%	100.0%
HMDA Totals										
Low	3	14.3%	17.9%	7.8%	9.4%	0	0.0%	0.0%	2.0%	1.0%
Moderate	9	42.9%	44.6%	26.0%	30.2%	4	19.0%	18.0%	7.5%	3.2%
Middle	7	33.3%	29.4%	29.7%	25.6%	3	14.3%	16.5%	18.0%	10.1%
Upper	2	9.5%	8.1%	36.6%	34.7%	2	9.5%	9.0%	56.5%	55.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	12	57.1%	56.5%	16.0%	30.2%
Total	21	100.0%	100.0%	100.0%	100.0%	21	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank %	Aggregate % \$(000s)	Bank %	Aggregate % \$(000s)					
Low	1	8.3%	9.9%	16.9%	17.1%					
Moderate	1	8.3%	8.8%	32.9%	31.5%					
Middle	3	25.0%	23.3%	25.4%	26.4%					
Upper	7	58.3%	57.9%	23.6%	21.8%					
Unknown	0	0.0%	0.0%	1.2%	3.2%					
Tract Unknown	0	0.0%	0.0%	0.0%	0.0%					
Total	12	100.0%	100.0%	100.0%	100.0%					
By Revenue										
\$1 Million or Less	11	91.7%	89.4%	46.3%	32.5%					
By Loan Size										
\$100,000 or less	2	16.7%	4.0%	96.9%	53.2%					
\$100,001-\$250,000	4	33.3%	16.1%	1.8%	13.1%					
\$250,001-\$1 Million	6	50.0%	80.0%	1.4%	33.7%					
Total	12	100.0%	100.0%	100.0%	100.0%					

Originations and Purchases

2015 Aggregate Comparison Loan Distribution Table
Assessment Area: MD 35614 - Kings & Richmond Counties

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)
Home Purchase										
Low	1	16.7%	17.1%	7.1%	7.6%	0	0.0%	0.0%	1.9%	1.2%
Moderate	2	33.3%	34.4%	25.3%	25.5%	0	0.0%	0.0%	7.3%	3.3%
Middle	2	33.3%	29.1%	30.6%	26.6%	0	0.0%	0.0%	18.2%	11.3%
Upper	1	16.7%	19.3%	37.0%	40.2%	0	0.0%	0.0%	58.8%	68.2%
Unknown	0	0.0%	0.0%	0.0%	0.1%	6	100.0%	100.0%	13.8%	16.0%
Total	6	100.0%	100.0%	100.0%	100.0%	6	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	8.1%	9.0%	0	0.0%	0.0%	2.4%	1.4%
Moderate	1	50.0%	75.3%	26.2%	27.6%	0	0.0%	0.0%	6.4%	3.6%
Middle	1	50.0%	24.7%	29.0%	26.5%	0	0.0%	0.0%	16.4%	11.5%
Upper	0	0.0%	0.0%	36.6%	36.8%	0	0.0%	0.0%	52.9%	59.0%
Unknown	0	0.0%	0.0%	0.0%	0.1%	2	100.0%	100.0%	22.0%	24.5%
Total	2	100.0%	100.0%	100.0%	100.0%	2	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	7.5%	7.9%	0	0.0%	0.0%	3.2%	1.0%
Moderate	0	0.0%	0.0%	28.3%	29.0%	0	0.0%	0.0%	11.2%	3.6%
Middle	0	0.0%	0.0%	27.3%	23.9%	0	0.0%	0.0%	18.1%	9.8%
Upper	0	0.0%	0.0%	36.8%	39.3%	0	0.0%	0.0%	59.3%	71.9%
Unknown	0	0.0%	0.0%	0.1%	0.0%	0	0.0%	0.0%	8.2%	13.7%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	14.7%	13.1%	0	0.0%	0.0%	0.0%	0.0%
Moderate	1	100.0%	100.0%	42.4%	43.9%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	20.7%	18.5%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	22.0%	24.3%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.2%	0.2%	1	100.0%	100.0%	100.0%	100.0%
Total	1	100.0%	100.0%	100.0%	100.0%	1	100.0%	100.0%	100.0%	100.0%
HMDA Totals										
Low	1	11.1%	12.6%	7.8%	9.1%	0	0.0%	0.0%	2.0%	1.0%
Moderate	4	44.4%	47.3%	26.5%	29.9%	0	0.0%	0.0%	6.8%	2.7%
Middle	3	33.3%	26.0%	29.5%	24.9%	0	0.0%	0.0%	16.8%	9.0%
Upper	1	11.1%	14.2%	36.2%	36.0%	0	0.0%	0.0%	54.2%	51.8%
Unknown	0	0.0%	0.0%	0.0%	0.1%	9	100.0%	100.0%	20.2%	35.5%
Total	9	100.0%	100.0%	100.0%	100.0%	9	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)		Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)
Low	1	7.1%	7.5%	17.8%	15.9%					
Moderate	4	28.6%	34.2%	34.5%	31.9%					
Middle	4	28.6%	24.0%	24.7%	26.9%					
Upper	5	35.7%	34.3%	21.2%	21.4%					
Unknown	0	0.0%	0.0%	1.5%	3.4%					
Tract Unknown	0	0.0%	0.0%	0.4%	0.5%					
Total	14	100.0%	100.0%	100.0%	100.0%					
By Revenue										
\$1 Million or Less	12	85.7%	86.9%	53.4%	35.2%					
By Loan Size										
\$100,000 or less	1	7.1%	0.5%	97.6%	55.9%					
\$100,001-\$250,000	2	14.3%	6.9%	1.2%	10.3%					
\$250,001-\$1 Million	11	78.6%	92.6%	1.2%	33.9%					
Total	14	100.0%	100.0%	100.0%	100.0%					

Originations and Purchases

2018 Aggregate Comparison Loan Distribution Table

Assessment Area: MD 35614 - Orange County

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	5.0%	6.0%	0	0.0%	0.0%	2.8%	1.8%
Moderate	0	0.0%	0.0%	7.6%	5.8%	0	0.0%	0.0%	15.6%	11.1%
Middle	0	0.0%	0.0%	21.4%	17.3%	0	0.0%	0.0%	25.6%	23.2%
Upper	0	0.0%	0.0%	65.9%	70.9%	0	0.0%	0.0%	46.4%	54.2%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	9.5%	9.6%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	8.0%	11.3%	0	0.0%	0.0%	4.4%	2.9%
Moderate	0	0.0%	0.0%	6.2%	5.9%	0	0.0%	0.0%	11.7%	8.6%
Middle	0	0.0%	0.0%	18.9%	15.1%	0	0.0%	0.0%	22.2%	19.2%
Upper	0	0.0%	0.0%	66.9%	67.8%	0	0.0%	0.0%	51.5%	57.7%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	10.2%	11.7%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	4.3%	7.7%	0	0.0%	0.0%	2.9%	2.2%
Moderate	0	0.0%	0.0%	8.0%	8.5%	0	0.0%	0.0%	11.7%	10.5%
Middle	0	0.0%	0.0%	18.1%	13.8%	0	0.0%	0.0%	25.0%	21.3%
Upper	0	0.0%	0.0%	69.6%	69.9%	0	0.0%	0.0%	58.5%	63.2%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	1.9%	2.7%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	12.2%	10.7%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	34.1%	18.4%	0	0.0%	0.0%	2.4%	0.2%
Middle	0	0.0%	0.0%	29.3%	46.2%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	24.4%	24.8%	0	0.0%	0.0%	7.3%	4.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	90.2%	95.7%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
HMDA Totals										
Low	0	0.0%	0.0%	5.8%	7.4%	0	0.0%	0.0%	3.2%	2.0%
Moderate	0	0.0%	0.0%	7.4%	6.2%	0	0.0%	0.0%	14.3%	10.2%
Middle	0	0.0%	0.0%	20.6%	17.5%	0	0.0%	0.0%	24.6%	21.6%
Upper	0	0.0%	0.0%	66.2%	68.9%	0	0.0%	0.0%	48.3%	53.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	9.6%	12.3%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank %	% \$(000s)	%	% \$(000s)					
Low	0	0.0%	0.0%				17.9%		16.8%	
Moderate	0	0.0%	0.0%				11.3%		9.9%	
Middle	0	0.0%	0.0%				17.1%		20.1%	
Upper	2	100.0%	100.0%				51.9%		52.2%	
Unknown	0	0.0%	0.0%				0.0%		0.0%	
Tract Unknown	0	0.0%	0.0%				1.8%		1.0%	
Total	2	100.0%	100.0%				100.0%		100.0%	
By Revenue										
\$1 Million or Less	2	100.0%	100.0%				41.3%		29.0%	
By Loan Size										
\$100,000 or less	0	0.0%	0.0%				95.2%		47.5%	
\$100,001-\$250,000	1	50.0%	29.7%				2.8%		15.8%	
\$250,001-\$1 Million	1	50.0%	70.3%				2.0%		36.6%	
Total	2	100.0%	100.0%				100.0%		100.0%	

Originations and Purchases

2017 Aggregate Comparison Loan Distribution Table
Assessment Area: MD 35614 - Orange County

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	3.0%	3.3%	0	0.0%	0.0%	2.0%	1.0%
Moderate	0	0.0%	0.0%	7.3%	5.6%	0	0.0%	0.0%	13.8%	9.0%
Middle	0	0.0%	0.0%	22.5%	18.5%	0	0.0%	0.0%	25.3%	22.3%
Upper	0	0.0%	0.0%	67.2%	72.7%	0	0.0%	0.0%	47.7%	56.2%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	11.2%	11.4%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	8.1%	11.0%	0	0.0%	0.0%	3.1%	1.8%
Moderate	0	0.0%	0.0%	6.6%	6.3%	1	100.0%	100.0%	10.8%	7.1%
Middle	1	100.0%	100.0%	20.2%	16.4%	0	0.0%	0.0%	19.2%	16.2%
Upper	0	0.0%	0.0%	65.1%	66.3%	0	0.0%	0.0%	46.8%	53.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	20.1%	21.9%
Total	1	100.0%	100.0%	100.0%	100.0%	1	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	0.8%	0.4%	0	0.0%	0.0%	4.2%	1.3%
Moderate	0	0.0%	0.0%	5.6%	3.1%	0	0.0%	0.0%	8.9%	7.2%
Middle	0	0.0%	0.0%	23.7%	16.9%	0	0.0%	0.0%	18.2%	14.3%
Upper	0	0.0%	0.0%	69.8%	79.5%	0	0.0%	0.0%	61.7%	64.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	7.0%	13.2%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	25.0%	7.4%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	10.7%	0.9%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	21.4%	31.2%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	42.9%	60.5%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	100.0%	100.0%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
HMDA Totals										
Low	0	0.0%	0.0%	4.2%	5.2%	0	0.0%	0.0%	2.4%	1.1%
Moderate	0	0.0%	0.0%	7.1%	5.4%	1	100.0%	100.0%	12.8%	8.0%
Middle	1	100.0%	100.0%	22.0%	18.9%	0	0.0%	0.0%	23.4%	19.4%
Upper	0	0.0%	0.0%	66.7%	70.6%	0	0.0%	0.0%	48.0%	51.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	13.5%	19.7%
Total	1	100.0%	100.0%	100.0%	100.0%	1	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)					
Low	0	0.0%	0.0%	18.7%	14.5%					
Moderate	1	20.0%	48.5%	12.4%	10.8%					
Middle	0	0.0%	0.0%	16.6%	22.6%					
Upper	4	80.0%	51.5%	50.3%	50.9%					
Unknown	0	0.0%	0.0%	0.0%	0.0%					
Tract Unknown	0	0.0%	0.0%	2.0%	1.1%					
Total	5	100.0%	100.0%	100.0%	100.0%					
By Revenue										
\$1 Million or Less	1	20.0%	8.3%	49.2%	32.1%					
By Loan Size										
\$100,000 or less	1	20.0%	4.9%	95.3%	45.4%					
\$100,001-\$250,000	2	40.0%	25.2%	2.5%	14.1%					
\$250,001-\$1 Million	2	40.0%	69.9%	2.2%	40.5%					
Total	5	100.0%	100.0%	100.0%	100.0%					

Originations and Purchases

2016 Aggregate Comparison Loan Distribution Table
Assessment Area: MD 35614 - Orange County

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)	#	Bank %	% \$(000s)	Aggregate %	% \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	5.1%	6.2%	0	0.0%	0.0%	2.2%	1.2%
Moderate	0	0.0%	0.0%	5.6%	3.5%	0	0.0%	0.0%	13.7%	9.0%
Middle	0	0.0%	0.0%	18.8%	15.2%	0	0.0%	0.0%	27.0%	23.9%
Upper	0	0.0%	0.0%	70.5%	75.0%	0	0.0%	0.0%	46.0%	54.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	11.1%	11.2%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	5.3%	6.6%	0	0.0%	0.0%	2.7%	1.5%
Moderate	0	0.0%	0.0%	3.4%	2.2%	0	0.0%	0.0%	8.0%	5.5%
Middle	0	0.0%	0.0%	16.1%	12.3%	0	0.0%	0.0%	17.0%	13.7%
Upper	0	0.0%	0.0%	75.2%	78.9%	0	0.0%	0.0%	46.2%	52.4%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	26.1%	26.9%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	2.3%	4.3%	0	0.0%	0.0%	4.0%	1.7%
Moderate	0	0.0%	0.0%	4.0%	2.2%	0	0.0%	0.0%	14.1%	15.5%
Middle	0	0.0%	0.0%	18.4%	11.4%	0	0.0%	0.0%	17.0%	15.8%
Upper	0	0.0%	0.0%	75.3%	82.2%	0	0.0%	0.0%	59.8%	57.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	5.2%	9.9%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	10.5%	2.7%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	5.3%	0.4%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	21.1%	14.1%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	63.2%	82.8%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	100.0%	100.0%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
HMDA Totals										
Low	0	0.0%	0.0%	5.1%	6.2%	0	0.0%	0.0%	2.4%	1.2%
Moderate	0	0.0%	0.0%	4.9%	3.0%	0	0.0%	0.0%	12.0%	7.8%
Middle	0	0.0%	0.0%	18.0%	14.3%	0	0.0%	0.0%	23.5%	19.9%
Upper	0	0.0%	0.0%	72.1%	76.6%	0	0.0%	0.0%	46.6%	51.9%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	15.5%	19.2%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank %	% \$(000s)	%	Aggregate % \$(000s)					
Low	0	0.0%	0.0%	20.6%	16.3%					
Moderate	0	0.0%	0.0%	8.1%	10.5%					
Middle	4	66.7%	65.6%	13.1%	16.2%					
Upper	2	33.3%	34.4%	58.2%	57.0%					
Unknown	0	0.0%	0.0%	0.0%	0.0%					
Tract Unknown	0	0.0%	0.0%	0.0%	0.0%					
Total	6	100.0%	100.0%	100.0%	100.0%					
By Revenue										
\$1 Million or Less	1	16.7%	46.8%	46.2%	32.9%					
By Loan Size										
\$100,000 or less	2	33.3%	8.1%	95.0%	43.5%					
\$100,001-\$250,000	3	50.0%	45.1%	2.7%	15.5%					
\$250,001-\$1 Million	1	16.7%	46.8%	2.2%	41.0%					
Total	6	100.0%	100.0%	100.0%	100.0%					

Originations and Purchases

2015 Aggregate Comparison Loan Distribution Table
Assessment Area: MD 35614 - Orange County

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	6.5%	7.5%	0	0.0%	0.0%	2.0%	1.0%
Moderate	0	0.0%	0.0%	4.4%	2.6%	0	0.0%	0.0%	12.3%	7.8%
Middle	0	0.0%	0.0%	18.4%	14.4%	0	0.0%	0.0%	24.8%	21.7%
Upper	0	0.0%	0.0%	70.7%	75.5%	0	0.0%	0.0%	45.8%	54.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	15.1%	15.3%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	5.0%	6.0%	0	0.0%	0.0%	2.5%	1.5%
Moderate	0	0.0%	0.0%	3.9%	2.5%	0	0.0%	0.0%	8.5%	5.4%
Middle	0	0.0%	0.0%	16.2%	12.8%	0	0.0%	0.0%	16.4%	13.2%
Upper	0	0.0%	0.0%	74.9%	78.6%	0	0.0%	0.0%	45.6%	51.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	27.0%	29.0%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	2.9%	5.3%	0	0.0%	0.0%	5.0%	1.1%
Moderate	0	0.0%	0.0%	5.4%	6.6%	0	0.0%	0.0%	13.9%	8.5%
Middle	0	0.0%	0.0%	23.6%	17.6%	0	0.0%	0.0%	18.9%	14.6%
Upper	0	0.0%	0.0%	68.2%	70.6%	0	0.0%	0.0%	55.4%	67.3%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	6.8%	8.4%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	5.0%	0.4%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	35.0%	78.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	15.0%	14.4%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	45.0%	7.2%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	100.0%	100.0%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
HMDA Totals										
Low	0	0.0%	0.0%	5.9%	6.7%	0	0.0%	0.0%	2.3%	1.1%
Moderate	0	0.0%	0.0%	4.4%	5.8%	0	0.0%	0.0%	11.1%	6.7%
Middle	0	0.0%	0.0%	17.9%	14.0%	0	0.0%	0.0%	21.7%	18.0%
Upper	0	0.0%	0.0%	71.8%	73.4%	0	0.0%	0.0%	46.0%	51.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	18.8%	23.0%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)					
Low	0	0.0%	0.0%	27.8%	18.2%					
Moderate	0	0.0%	0.0%	6.6%	7.2%					
Middle	1	25.0%	22.1%	11.6%	16.5%					
Upper	3	75.0%	77.9%	52.0%	56.9%					
Unknown	0	0.0%	0.0%	0.0%	0.0%					
Tract Unknown	0	0.0%	0.0%	2.0%	1.2%					
Total	4	100.0%	100.0%	100.0%	100.0%					
By Revenue										
\$1 Million or Less	2	50.0%	48.7%	51.8%	36.5%					
By Loan Size										
\$100,000 or less	1	25.0%	22.1%	96.2%	46.2%					
\$100,001-\$250,000	3	75.0%	77.9%	1.7%	10.9%					
\$250,001-\$1 Million	0	0.0%	0.0%	2.0%	42.9%					
Total	4	100.0%	100.0%	100.0%	100.0%					

Originations and Purchases

2017 Aggregate Comparison Loan Distribution Table
Assessment Area: MSA 28740

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	Aggregate % \$(000s)	Bank %	Aggregate % \$(000s)	#	Bank %	Aggregate % \$(000s)	Bank %	Aggregate % \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	1.7%	0.9%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	17.4%	12.0%
Middle	0	0.0%	0.0%	51.0%	44.0%	0	0.0%	0.0%	27.4%	24.1%
Upper	0	0.0%	0.0%	49.0%	56.0%	0	0.0%	0.0%	43.0%	53.2%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	10.5%	9.8%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	5.0%	2.4%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	14.9%	10.4%
Middle	0	0.0%	0.0%	48.6%	45.4%	0	0.0%	0.0%	29.7%	26.9%
Upper	0	0.0%	0.0%	51.4%	54.6%	0	0.0%	0.0%	40.1%	47.6%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	10.4%	12.7%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	6.3%	0.8%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	8.8%	5.4%
Middle	0	0.0%	0.0%	46.3%	40.9%	0	0.0%	0.0%	31.3%	28.4%
Upper	0	0.0%	0.0%	53.8%	59.1%	0	0.0%	0.0%	46.3%	56.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	7.5%	9.3%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	75.0%	51.7%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	25.0%	48.3%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	100.0%	100.0%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
HMDA Totals										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	3.0%	1.3%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	15.9%	11.2%
Middle	0	0.0%	0.0%	50.1%	44.3%	0	0.0%	0.0%	28.2%	24.8%
Upper	0	0.0%	0.0%	49.9%	55.7%	0	0.0%	0.0%	42.3%	51.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	10.6%	11.2%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank %	Aggregate % \$(000s)	Bank %	Aggregate % \$(000s)					
Low	0	0.0%	0.0%	0.0%	0.0%					
Moderate	0	0.0%	0.0%	0.0%	0.0%					
Middle	0	0.0%	0.0%	40.6%	40.5%					
Upper	1	100.0%	100.0%	59.4%	59.5%					
Unknown	0	0.0%	0.0%	0.0%	0.0%					
Tract Unknown	0	0.0%	0.0%	0.0%	0.0%					
Total	1	100.0%	100.0%	100.0%	100.0%					
By Revenue										
\$1 Million or Less	0	0.0%	0.0%	48.5%	32.8%					
By Loan Size										
\$100,000 or less	1	100.0%	100.0%	95.2%	45.0%					
\$100,001-\$250,000	0	0.0%	0.0%	2.7%	16.5%					
\$250,001-\$1 Million	0	0.0%	0.0%	2.1%	38.5%					
Total	1	100.0%	100.0%	100.0%	100.0%					

Originations and Purchases

2016 Aggregate Comparison Loan Distribution Table
Assessment Area: MSA 28740

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)
	Home Purchase									
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	1.7%	1.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	16.7%	11.7%
Middle	0	0.0%	0.0%	65.4%	60.3%	0	0.0%	0.0%	25.3%	22.5%
Upper	0	0.0%	0.0%	34.6%	39.7%	0	0.0%	0.0%	47.7%	55.8%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	8.6%	9.0%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
	Refinance									
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	3.3%	1.8%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	14.0%	10.0%
Middle	0	0.0%	0.0%	57.8%	52.6%	0	0.0%	0.0%	24.9%	22.3%
Upper	0	0.0%	0.0%	42.2%	47.4%	0	0.0%	0.0%	39.9%	49.2%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	17.9%	16.7%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
	Home Improvement									
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	6.7%	4.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	8.3%	3.0%
Middle	0	0.0%	0.0%	71.7%	68.0%	0	0.0%	0.0%	26.7%	12.8%
Upper	0	0.0%	0.0%	28.3%	32.0%	0	0.0%	0.0%	51.7%	64.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	6.7%	16.1%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
	Multi-Family									
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	75.0%	58.3%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	25.0%	41.7%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	100.0%	100.0%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
	HMDA Totals									
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	2.6%	1.4%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	15.0%	10.6%
Middle	0	0.0%	0.0%	63.2%	57.8%	0	0.0%	0.0%	25.1%	21.9%
Upper	0	0.0%	0.0%	36.8%	42.2%	0	0.0%	0.0%	44.9%	53.2%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	12.3%	13.0%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
	SMALL BUSINESS									
	By Tract Income									
	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	55.5%	48.5%	48.5%
Upper	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	44.5%	51.5%	51.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Tract Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Total	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	100.0%	100.0%	100.0%
	By Revenue									
\$1 Million or Less	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	47.0%	25.2%	25.2%
	By Loan Size									
\$100,000 or less	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	94.9%	39.2%	39.2%
\$100,001-\$250,000	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	3.0%	16.3%	16.3%
\$250,001-\$1 Million	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	2.2%	44.6%	44.6%
Total	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	100.0%	100.0%	100.0%

Originations and Purchases

2015 Aggregate Comparison Loan Distribution Table
Assessment Area: MSA 28740

Income Categories	HMDA									
	By Tract Income					By Borrower Income				
	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)
Home Purchase										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	2.0%	1.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	14.7%	9.6%
Middle	0	0.0%	0.0%	67.2%	62.5%	0	0.0%	0.0%	29.3%	25.6%
Upper	1	100.0%	100.0%	32.8%	37.5%	0	0.0%	0.0%	42.5%	52.4%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	100.0%	100.0%	11.5%	11.3%
Total	1	100.0%	100.0%	100.0%	100.0%	1	100.0%	100.0%	100.0%	100.0%
Refinance										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	3.7%	1.2%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	12.4%	8.0%
Middle	0	0.0%	0.0%	61.0%	56.1%	0	0.0%	0.0%	22.8%	19.5%
Upper	1	100.0%	100.0%	39.0%	43.9%	0	0.0%	0.0%	41.6%	50.1%
Unknown	0	0.0%	0.0%	0.0%	0.0%	1	100.0%	100.0%	19.5%	21.2%
Total	1	100.0%	100.0%	100.0%	100.0%	1	100.0%	100.0%	100.0%	100.0%
Home Improvement										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	19.3%	11.9%
Middle	0	0.0%	0.0%	78.9%	76.2%	0	0.0%	0.0%	29.8%	16.1%
Upper	0	0.0%	0.0%	21.1%	23.8%	0	0.0%	0.0%	40.4%	51.7%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	10.5%	20.3%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
Multi-Family										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Middle	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	0.0%	0.0%
Upper	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	0.0%	0.0%
Unknown	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	100.0%	100.0%
Total	0	0.0%	0.0%	100.0%	100.0%	0	0.0%	0.0%	100.0%	100.0%
HMDA Totals										
Low	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	2.4%	0.9%
Moderate	0	0.0%	0.0%	0.0%	0.0%	0	0.0%	0.0%	14.0%	7.6%
Middle	0	0.0%	0.0%	66.3%	67.1%	0	0.0%	0.0%	26.7%	19.2%
Upper	2	100.0%	100.0%	33.7%	32.9%	0	0.0%	0.0%	41.5%	43.2%
Unknown	0	0.0%	0.0%	0.0%	0.0%	2	100.0%	100.0%	15.4%	29.1%
Total	2	100.0%	100.0%	100.0%	100.0%	2	100.0%	100.0%	100.0%	100.0%
SMALL BUSINESS										
By Tract Income										
	#	Bank %	% \$(000s)	Aggregate %	Aggregate % \$(000s)					
Low	0	0.0%	0.0%	0.0%	0.0%			0.0%	0.0%	0.0%
Moderate	0	0.0%	0.0%	0.0%	0.0%			0.0%	0.0%	0.0%
Middle	1	50.0%	58.2%	21.1%	58.2%			58.2%	53.5%	53.5%
Upper	1	50.0%	41.8%	78.9%	41.8%			41.8%	46.5%	46.5%
Unknown	0	0.0%	0.0%	0.0%	0.0%			0.0%	0.0%	0.0%
Tract Unknown	0	0.0%	0.0%	0.0%	0.0%			0.0%	0.0%	0.0%
Total	2	100.0%	100.0%	100.0%	100.0%			100.0%	100.0%	100.0%
By Revenue										
\$1 Million or Less	0	0.0%	47.3%	0.0%	47.3%			47.3%	26.8%	26.8%
By Loan Size										
\$100,000 or less	1	50.0%	96.9%	21.1%	96.9%			96.9%	51.4%	51.4%
\$100,001-\$250,000	1	50.0%	1.5%	78.9%	1.5%			1.5%	10.8%	10.8%
\$250,001-\$1 Million	0	0.0%	1.6%	0.0%	1.6%			1.6%	37.9%	37.9%
Total	2	100.0%	100.0%	100.0%	100.0%			100.0%	100.0%	100.0%

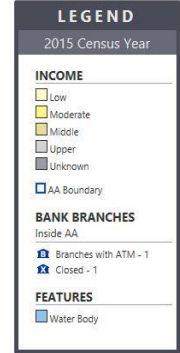
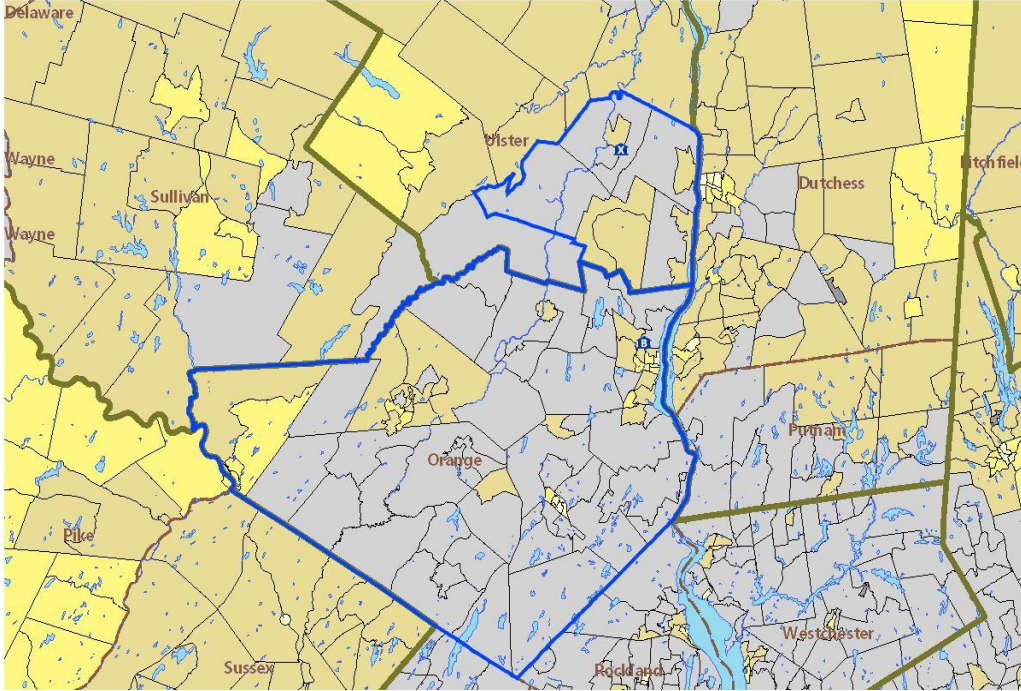
Originations and Purchases

CRA APPENDIX B

MAP OF THE ASSESSMENT AREA

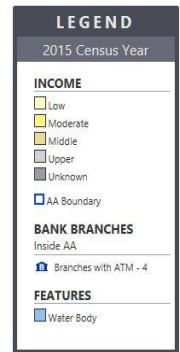
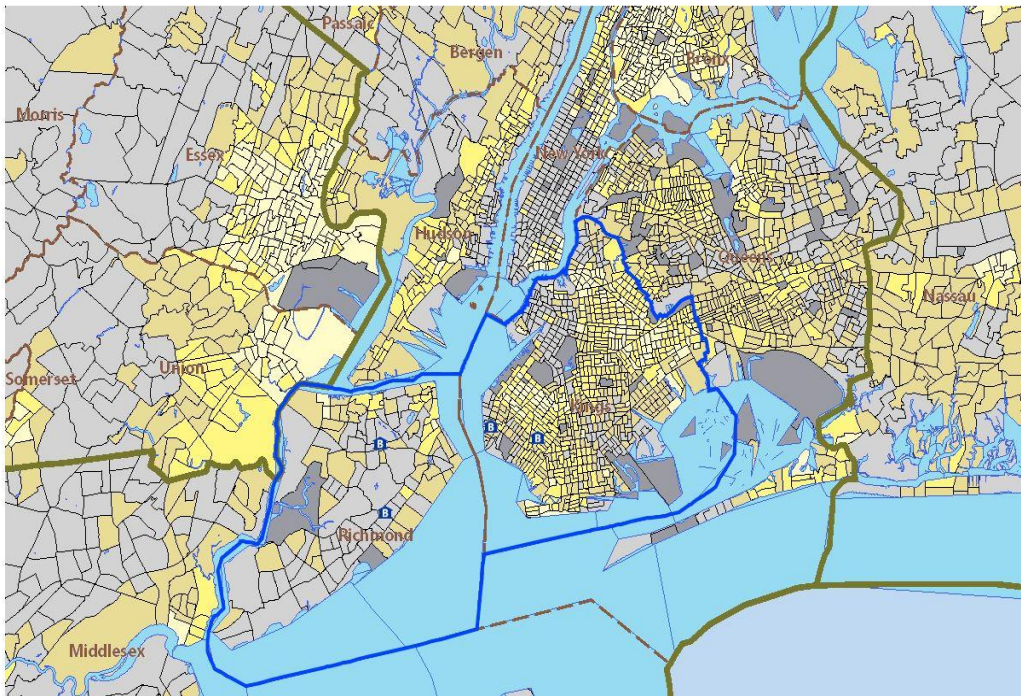
Empire State Bank

MD 35614 - Orange County & MSA 28740 Assessment Areas



Empire State Bank

MD 35614 - Kings & Richmond Counties Assessment Area



CRA APPENDIX C

GLOSSARY

Affordability ratio: Derived by dividing the median household income by the median housing value. The higher the affordability ratio, the more affordable a home is considered.

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-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
 - a. Rates of poverty, unemployment, and population loss; or

b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of LMI individuals.

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

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.

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.

Low-income: Individual income that is less than 50% of the area median income, or a median family income that is less than 50%, in the case of geography.

Metropolitan Statistical Area (“MSA”): A geographic entity defined by the federal Office of Management and Budget for use by federal statistical agencies, based on the concept of a core area

with a large population nucleus, plus adjacent communities having a high degree of economic and social integration with that core.

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

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

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.

Small loan(s) to business(es): A loan included in “loans 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.

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