



PUBLIC SUMMARY

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION OF EMPIRE STATE BANK

AS OF DECEMBER 31, 2023

New York State Department of Financial Services
Consumer Protection and Financial Enforcement Division
One State Street, New York NY 10004

NOTE: This Evaluation is not an assessment of the financial condition of this institution. The rating assigned does not represent an analysis, conclusion or opinion of the New York State Department of Financial Services concerning the safety and soundness of this financial institution.

TABLE OF CONTENTS

Sections

- I. **General Information**
 - II. **Overview of Institution’s Performance**
 - III. **Performance Context**
 - A. Institution Profile
 - B. Assessment Area
 - C. Demographic & Economic Data
 - D. Community Information
 - IV. **Performance Standards and Assessment Factors**
 - A. Lending Test
 - B. Community Development Test
 - C. Additional Factors
 - V. **Glossary**
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EMPIRE STATE BANK – CRA PERFORMANCE EVALUATION

I - GENERAL INFORMATION

This document is an evaluation (the “Evaluation”) of the Community Reinvestment Act (“CRA”) performance of Empire State Bank (“ESB” or the “Bank”) prepared by the New York State Department of Financial Services (“DFS” or the “Department”). This Evaluation represents the Department’s current assessment and rating of the Bank’s CRA performance based on an evaluation conducted as of December 31, 2023.

Section 28-b of the New York Banking Law, as amended, requires that when evaluating certain applications, the Superintendent of Financial Services shall assess a banking institution’s record of helping to meet the credit needs of its entire community, including low- and moderate-income (“LMI”) areas, consistent with safe and sound operations.

Part 76 of the General Regulations of the Superintendent (“GRS”) implements Section 28-b and further requires that the Department assess the CRA performance records of regulated financial institutions. Part 76 establishes the framework and criteria by which the Department will evaluate institutions’ performance. Section 76.5 further provides that the Department will prepare a written report summarizing the results of such assessment and will assign to each institution a numerical CRA rating based on a 1 to 4 scoring system. The numerical scores represent an assessment of CRA performance as follows:

- (1) Outstanding record of meeting community credit needs;
- (2) Satisfactory record of meeting community credit needs;
- (3) Needs to improve in meeting community credit needs; and
- (4) Substantial noncompliance in meeting community credit needs.

Section 76.5 further requires that the CRA rating and the Evaluation be made available to the public. Evaluations of banking institutions are primarily based on a review of performance tests and standards described in Section 76.7 and detailed in Sections 76.8 through 76.13. The tests and standards incorporate the 12 assessment factors contained in Section 28-b of the New York Banking Law.

For an explanation of technical terms used in this report, please consult the **GLOSSARY** at the end of this Evaluation.

EMPIRE STATE BANK – CRA PERFORMANCE EVALUATION

II - OVERVIEW OF INSTITUTION’S PERFORMANCE

The Department evaluated ESB according to the intermediate small banking institutions performance criteria pursuant to Sections 76.7 and 76.12 of the GRS. The evaluation period included calendar years 2020, 2021, 2022 and 2023 for both the lending and the community development tests. ESB is rated “2” indicating a “Satisfactory” record of helping to meet community credit needs.

The rating is based on the following factors:

A. Lending Test: Satisfactory

1. Loan-to-Deposit Ratio and other Lending-Related Activities:

ESB’s average loan-to-deposit (“LTD”) ratio was excellent considering its size, business strategy, financial condition, and peer group activity.

ESB’s average LTD ratio of 107.6% for the evaluation period significantly exceeded the peer group’s average ratio of 74.2%.

2. Assessment Area Concentration:

During the evaluation period, ESB originated 69.6% by number and 67.2% by dollar value of its total HMDA-reportable and small business loans within the assessment area, demonstrating a reasonable concentration of lending.

3. Distribution by Borrower Characteristics:

ESB’s small business lending demonstrated an excellent distribution of loans among businesses of different revenue sizes. The evaluation of these criterion was solely based on small business lending, as ESB’s HMDA-reportable loans were made overwhelmingly to investors purchasing properties for investment purposes for which revenue is not required to be reported.

4. Geographic Distribution of Loans:

ESB’s origination of loans in census tracts of varying income levels demonstrated a reasonable distribution of lending.

5. Action Taken in Response to Written Complaints with Respect to CRA:

Neither DFS nor ESB received any written complaints during the evaluation period regarding ESB’s CRA performance.

B. Community Development Test: Outstanding

ESB’s community development performance demonstrated an excellent responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services, considering the Bank’s capacity, and the need for and availability of opportunities for community development in its assessment area.

EMPIRE STATE BANK – CRA PERFORMANCE EVALUATION

1. Community Development Lending:

During the evaluation period, ESB originated \$22.6 million in new community development loans, and had \$5.7 million outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending.

2. Qualified Investments:

During the evaluation period, ESB made \$11 million in new qualified investments and had \$520,000 outstanding from prior evaluation periods. In addition, ESB made \$132,000 in qualified grants. This demonstrated an excellent level of qualified investments over the course of the evaluation period.

3. Community Development Services:

ESB demonstrated a reasonable level of community development services over the course of the evaluation period.

4. Responsiveness to Community Development Needs:

ESB demonstrated an excellent responsiveness to credit and community development needs.

This evaluation was conducted based on a review of the 12 assessment factors set forth in Section 28-b of the New York Banking Law and GRS Part 76.

EMPIRE STATE BANK – CRA PERFORMANCE EVALUATION

III - PERFORMANCE CONTEXT

A. Institution Profile

Chartered in 2004, ESB is a New York State chartered commercial bank headquartered in Staten Island, Richmond County New York. ESB is a wholly-owned subsidiary of ES Bancshares, Inc. a publicly traded one-bank holding company. In February 2022, DFS approved an application for ESB to change the designation of its principal office from Orange County, New York to Richmond County, New York.

ESB operates five banking offices and two loan production offices in New York State, of which one loan production office and three branches are in Richmond County, two branches are in Kings County, and one loan production office is in Queens County. Supplementing the banking offices is an automated teller machine (“ATM”) network consisting of six machines, one at each of the five branch locations and one cash-only ATM at the Richmond County loan production office.

The Bank’s deposit products include personal and business checking, savings accounts, and money market accounts, as well as certificate of deposit and individual retirement accounts. Lending products offered include residential mortgage loans and a variety of business loans. Other business and personal banking services offered include but are not limited to debit cards, online and mobile banking, remote deposit service, wire transfers and 24-hour depository.

In its Consolidated Report of Condition (the “Call Report”) as of December 31, 2023, filed with the Federal Deposit Insurance Corporation (“FDIC”), ESB reported total assets of \$638.9 million, of which \$563.9 million were net loans and lease financing receivables. It also reported total deposits of \$498.1 million, resulting in a LTD ratio of 113.2%. According to the latest available comparative deposit data as of June 30, 2023, ESB obtained a market share of 0.57%, or \$509.2 million in a market of \$90 billion, ranking it 17th among 39 deposit-taking institutions in the assessment area.

The following is a summary of the Bank’s loan portfolio, based on Schedule RC-C of the Bank’s December 31, 2020, 2021, 2022 and 2023’s Call Reports:

TOTAL GROSS LOANS OUTSTANDING								
Loan Type	2020		2021		2022		2023	
	\$000's	%	\$000's	%	\$000's	%	\$000's	%
1-4 Family Residential Mortgage Loans	177,440	40.8	177,979	41.6	251,257	58.7	285,116	50.1
Commercial & Industrial Loans	70,884	16.3	41,503	9.7	13,768	3.2	12,275	2.2
Commercial Mortgage Loans	147,413	33.9	164,773	38.5	194,693	45.5	215,890	37.9
Multifamily Mortgages	36,831	8.5	42,995	10.0	52,249	12.2	55,201	9.7
Consumer Loans	13	0.0	3	0.0	0	0.0	0	0.0
Agricultural Loans	573	0.1	535	0.1	495	0.1	453	0.1
Construction Loans	1,223	0.3	0	0.0	0	0.0	0	0.0
Other Loans	40	0.0	317	0.1	130	0.0	71	0.0
Total Gross Loans	434,417		428,105		512,592		569,006	

EMPIRE STATE BANK – CRA PERFORMANCE EVALUATION

As illustrated in the above table, ESB commercial mortgage loans (37.9%) and commercial and industrial loans (9.7%) total 47.5% of the Bank’s gross loan portfolio, while the Bank’s 1-4 family residential mortgage loans, which are primarily made for investment purposes, make up 50.1% of the Bank’s gross loan portfolio.

Examiners did not find evidence of financial or legal impediments that had an adverse impact on ESB’s ability to meet the credit needs of its community.

B. Assessment Area

ESB’s assessment area consists of Kings and Richmond Counties. The Bank’s assessment area was amended in 2022, as the Bank got permission from DFS to relocate its principal office to Richmond County and removed Orange County from its assessment area. As a result, the number of census tracts in the assessment area decreased from 950 to 931 census tracts.

The Bank’s assessment area contains 931 census tracts, of which 94 are low-income, 248 are moderate-income, 305 are middle-income, 231 are upper-income, and 53 are tracts with no income indicated.

Assessment Area Census Tracts by Income Level							
County	N/A	Low	Mod	Middle	Upper	Total	LMI %
Kings	46	91	235	263	170	805	40.5
Richmond	7	3	13	42	61	126	12.7
Total	53	94	248	305	231	931	36.7

C. Demographic & Economic Data

The assessment area had a population of 3,231,821 during the evaluation period. Approximately 13.6% of the population were over the age of 65 and 24.8% were under the age of 16.

Of the 717,449 families in the assessment area, 29.6% were low-income, 15.6% were moderate-income, 16.4% were middle-income and 38.4% were upper-income. There were 1,139,474 households in the assessment area, of which 17.8% had income below the poverty level and 5% were on public assistance. The weighted average median family income in the assessment area was \$84,203.

There were 1,236,543 housing units within the assessment area, of which 53% were one- to four-family units and 46.9% were multifamily units. A majority (59%) of the housing units were rental-occupied, while 33.2% were owner-occupied units.

Of the total 729,419 rental-occupied units, 49.1% were in LMI census tracts while 49.3% were in middle- and upper-income census tracts. The weighted average monthly gross rent was \$1,526.

Of the 410,055 owner-occupied housing units, 22.8% were in LMI census tracts while 76.5% were in middle- and upper-income census tracts. The median age of the housing stock was 72 years, and the weighted median home value in the assessment area was \$758,474.

EMPIRE STATE BANK – CRA PERFORMANCE EVALUATION

There were 487,415 non-farm businesses in the assessment area. Of these, 95.7% were businesses with reported revenues of less than or equal to \$1 million, 1.4% reported revenues of more than \$1 million and 2.9% did not report their revenues. Of all the businesses in the assessment area, 98.6% were businesses with less than fifty employees while 97.7% operated from a single location. The largest industries in the area were Services (29.2%), Retail Trade (10.8%) and Finance, Insurance and Real Estate (8.7%); 38.1% of businesses in the assessment area were not classified.

An analysis of the New York State Department of Labor data, showed that the annual average unemployment rates for New York State, Kings and Richmond counties steadily declined from 2020 to 2023. Statewide average annual unemployment rates were lower than both counties' rates during each year of the evaluation period.

Assessment Area Unemployment Rate			
	Statewide	Kings	Richmond
2023	4.2%	5.5%	4.9%
2022	4.3%	5.9%	5.5%
2021	7.1%	10.3%	8.9%
2020	9.8%	12.4%	10.5%
Average of Years above	6.4%	8.5%	7.5%

D. Community Information

As part of the evaluation, DFS examiners conducted community contact interviews with representatives of two organizations that serve ESB's assessment area. The interviews help DFS examiners gain additional insight into the needs of the community.

The first interview was held with the vice president of an organization that promotes economic development by supporting small business owners by providing job training, financing assistance and technology assistance. The representative noted the need for financial institutions to offer easier access to capital for small businesses that operate on a month-to-month cash flow basis. The representative stated that easier access to capital would help those businesses that are still struggling to fully recover from the COVID-19 pandemic. The representative also noted that while some financial institutions are conducting financial literacy seminars, the material presented should be simplified so it easier to comprehend for all attending. The representative added that generally banks are helping to meet the credit and financial needs of the community, but the community would like to see access to financial services and credit simplified and expedited. ESB received favorable comments from this organization.

The second interview was conducted with the chairman of a nonprofit organization that focuses on the safety and well-being of children and families. The organization provides services for those living with mental illness, alcohol addiction, substance abuse, domestic abuse and other pressing human services needed in the community. The representative stated that there has been a reduction in bank branches which has made access to capital, banking products and services more difficult for residents of the community. The representative also stated that there is a shortage of workforce housing and affordable housing as existing 1-4 family housing stock is expensive.

EMPIRE STATE BANK – CRA PERFORMANCE EVALUATION

IV - PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

The Department evaluated ESB under the intermediate small banking institution performance criteria in accordance with Sections 76.7 and 76.12 of the GRS, which consist of the lending test and the community development test.

The lending test includes:

1. Loan-to-deposit ratio and other lending-related activities;
2. Assessment area concentration;
3. Distribution of loans by borrower characteristics;
4. Geographic distribution of loans; and
5. Action taken in response to written complaints regarding CRA.

The community development test includes:

1. Community development lending;
2. Community development investments;
3. Community development services; and
4. Responsiveness to community development needs.

DFS also considered the following factors in assessing the bank's record of performance:

1. The extent of participation by the board of directors or board of trustees in formulating CRA policies and reviewing CRA performance;
2. Evidence of any practices intended to discourage credit applications;
3. Evidence of prohibited discriminatory or other illegal credit practices;
4. Record of opening and closing offices and providing services at offices; and
5. Process factors, such as activities to ascertain credit needs and the extent of marketing and special credit related programs.

DFS derived statistics employed in this Evaluation from various sources. ESB submitted bank-specific information both as part of the Evaluation process and in its Call Report submitted to the FDIC. DFS obtained aggregate lending data from the Federal Financial Institutions Examination Council ("FFIEC") and deposit data from the FDIC. DFS obtained LTD ratios from information shown in the Bank's Uniform Bank Performance Report, compiled by the FFIEC from call report data.

DFS derived the demographic data referred to in this report from the 2020 U.S. Census and the FFIEC. DFS based business data on Dun & Bradstreet reports, which Dun & Bradstreet updates annually. DFS obtained unemployment data from the New York State Department of Labor.

The evaluation period included calendar years 2020, 2021, 2022 and 2023 for both lending and community development activities.

Examiners considered ESB's small business and HMDA-reportable loans in evaluating factors (2), (3) and (4) of the lending test noted above.

HMDA-reportable and small business loan data evaluated in this Evaluation represented actual originations.

EMPIRE STATE BANK – CRA PERFORMANCE EVALUATION

As ESB did not make any small farm loans, DFS based all analyses on small business lending only. The Bank is not required to report small business loan data, so ESB's small business lending is not included in the aggregate data. The aggregate data are shown only for comparative purposes.

The 2023 aggregate HMDA-reportable and small business loan data were not available at the time of the Evaluation.

In its prior Community Reinvestment Act Performance Evaluation as of December 31, 2019, DFS assigned ESB a rating of “2” or a “Satisfactory” compliance with regulatory standards.

CRA Rating: Satisfactory

A. Lending Test: Satisfactory

ESB’s small business and HMDA-reportable activities were reasonable in light of ESB’s size, business strategy, and financial condition, as well as aggregate and peer group activity and the demographic characteristics and credit needs of the assessment area.

1. Loan-to-Deposit Ratio and other Lending-Related Activities:

ESB’s average LTD ratio was excellent considering its size, business strategy, financial condition and peer group activity.

ESB’s average LTD ratio of 107.6% for the evaluation period exceeded the peer group’s average ratio of 74.2%. The Bank’s average quarterly LTD ratios ranged from a low of 89% to a high of 119.2% and exceeded the peer’s quarterly average LTD ratios for all 16 quarters of the evaluation period.

The table below shows ESB’s LTD ratios in comparison with the peer group’s ratios for the 16 quarters of this evaluation.

Loan-to-Deposit Ratios																	
	2020	2020	2020	2020	2021	2021	2021	2021	2022	2022	2022	2022	2023	2023	2023	2023	Avg.
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Bank	107.8	114.7	119.2	112.0	113.1	103.6	101.1	96.1	89.0	103.8	103.0	111.5	109.4	107.3	117.1	113.2	107.6
Peer	81.9	80.8	80.0	75.8	72.3	70.9	69.4	67.9	66.5	69.2	71.2	73.8	74.5	76.6	77.6	78.1	74.2

2. Assessment Area Concentration:

During the evaluation period, ESB originated 69.6% by number and 67.2% by dollar value of its total HMDA-reportable and small business loans within the assessment area, demonstrating a reasonable concentration of lending.

a. HMDA-Reportable Loans:

During the evaluation period, ESB’s originated 66.5% by number and 66% by dollar value of its HMDA-reportable loans within the assessment area. This majority of lending inside of ESB’s assessment area reflects a reasonable concentration of lending.

EMPIRE STATE BANK – CRA PERFORMANCE EVALUATION

b. Small Business Loans:

During the evaluation period, ESB originated 70.3% by number and 68.9% by dollar value of its small business loans within the assessment area. This majority of lending inside of ESB’s assessment area reflects a reasonable concentration of lending.

The following table shows the percentages of ESB’s HMDA-reportable and small business loans originated inside and outside of the assessment area.

Distribution of Loans Inside and Outside of the Assessment Area										
Loan Type	Number of Loans					Loans in Dollars (in thousands)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
HMDA-Reportable										
2020	32	84.2%	6	15.8%	38	28,439	88.4%	3,730	11.6%	32,169
2021	38	66.7%	19	33.3%	57	30,318	67.6%	14,526	32.4%	44,844
2022	76	59.8%	51	40.2%	127	59,052	59.9%	39,546	40.1%	98,598
2023	60	68.2%	28	31.8%	88	41,537	63.0%	24,368	37.0%	65,905
Subtotal	206	66.5%	104	33.5%	310	159,346	66.0%	82,170	34.0%	241,516
Small Business										
2020	445	69.3%	197	30.7%	642	46,405	66.1%	23,775	33.9%	70,180
2021	420	71.3%	169	28.7%	589	43,387	67.8%	20,638	32.2%	64,025
2022	30	66.7%	15	33.3%	45	16,959	74.7%	5,743	25.3%	22,702
2023	24	77.4%	7	22.6%	31	13,093	76.6%	3,996	23.4%	17,089
Subtotal	919	70.3%	388	29.7%	1,307	119,844	68.9%	54,152	31.1%	173,996
Grand Total	1,125	69.6%	492	30.4%	1,617	279,190	67.2%	136,322	32.8%	415,512

3. Distribution by Borrower Characteristics:

ESB’s small business lending demonstrated an excellent distribution of loans among businesses of different revenue sizes.

The evaluation of this criterion was solely based on small business lending, as ESB’s HMDA-reportable loans were made overwhelmingly to investors purchasing properties for investment purposes and loan revenue is not required to be reported for this type of loan. Of the Bank’s 206 HMDA-reportable loans made during the evaluation period, 199 loans or 96.6% were made to investors.

a. Small Business Loans:

ESB’s small business lending demonstrated an excellent distribution of loans among businesses of different revenue sizes.

The Bank participated in the PPP loan program in 2020 and 2021 and originated 424 PPP loans totaling \$36.6 million and 399 PPP totaling \$32.4 million, respectively. However, as PPP loans did not require the collection and reporting of revenue, they were excluded from the analysis of this criterion. It is worth noting that a review of only PPP loans showed that a majority of loans were in amounts of \$100,000 or less.

EMPIRE STATE BANK – CRA PERFORMANCE EVALUATION

ESB’s average rates of lending to small businesses with revenue of \$1 million or less were 93.8% by number and 96.9% by dollar value of loans, well above the aggregate’s lending rates of 42.4% and 25.4% respectively. Aggregate small business loan data was not available as of evaluation date.

Also, the Bank’s average lending rates to small businesses with revenue of \$1 million or less were comparable with the percentage of small businesses with revenue of \$1 million or less located in ESB’s assessment area, while the aggregate’s rates were well below.

The following table provides a summary of the distribution of ESB’s small business loans by the revenue size of the business.

Distribution of Small Business Lending by Revenue Size of Business									
2020									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	19	90.5%	9,523	97.4%	37,433	35.7%	871,476	21.4%	93.3%
Rev. > \$1MM	0	0.0%	0	0.0%					2.7%
Rev. Unknown	2	9.5%	256	2.6%					4.0%
Total	21		9,779		104,973		4,076,425		
2021									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	18	85.7%	9,805	89.6%	49,663	39.5%	819,579	22.0%	93.6%
Rev. > \$1MM	0	0.0%	0	0.0%					2.1%
Rev. Unknown	3	14.3%	1,135	10.4%					4.3%
Total	21		10,940		125,602		3,728,889		
2022									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	29	96.7%	16,800	99.1%	62,038	51.2%	1,037,479	35.5%	93.9%
Rev. > \$1MM	0	0.0%	0	0.0%					1.9%
Rev. Unknown	1	3.3%	159	0.9%					4.2%
Total	30		16,959		121,211		2,919,851		
2023									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	24	100.0%	13,093	100.0%					95.7%
Rev. > \$1MM	0	0.0%	0	0.0%	Data not available as of the Evaluation Date				1.4%
Rev. Unknown		0.0%		0.0%					2.9%
Total	24		13,093						
GRAND TOTAL									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	90	93.8%	49,221	96.9%	149,134	42.4%	2,728,534	25.4%	
Rev. > \$1MM	0	0.0%	0	0.0%					
Rev. Unknown	6	6.3%	1,550	3.1%	0				
Total	96		50,771		351,786		10,725,165		

EMPIRE STATE BANK – CRA PERFORMANCE EVALUATION

4. Geographic Distribution of Loans:

ESB's origination of loans in census tracts of varying income levels demonstrated a reasonable distribution of lending.

a. HMDA-Reportable Loans:

The distribution of ESB's HMDA-reportable loans among census tracts of different income levels was excellent.

ESB's average HMDA-reportable lending rates of 39.3% by number and 40.4% by dollar value of loans in LMI census tracts for the evaluation period, were well above the aggregate's rates of 23.7% and 29.8%, respectively. The Bank's annual lending rates in LMI census tracts also exceeded the aggregate's rates for each year of the evaluation period, except for 2023 for which peer data was not available as of the Evaluation.

ESB's average rates of lending by number and dollar value of HMDA-reportable loans in LMI census tracts also exceeded the percentage (22% to 29.4%) of LMI owner-occupied housing units in the Bank's assessment area for each year of the evaluation period.

The following table provides a summary of the distribution of the Bank's HMDA-reportable loans by the income level of the geography where the property was located.

EMPIRE STATE BANK – CRA PERFORMANCE EVALUATION

Distribution of HMDA-Reportable Lending by Geographic Income of the Census Tract									
2020									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	1	3.1%	780	2.7%	3,117	6.4%	2,033,395	7.1%	3.9%
Moderate	11	34.4%	7,963	28.0%	8,077	16.5%	6,356,575	22.3%	19.3%
LMI	12	37.5%	8,743	30.7%	11,194	22.9%	8,389,970	29.4%	23.2%
Middle	8	25.0%	5,573	19.6%	15,105	30.9%	7,308,205	25.6%	35.2%
Upper	12	37.5%	14,123	49.7%	22,544	46.1%	12,804,870	44.9%	41.6%
Unknown	0	0.0%	0	0.0%	29	0.1%	26,335	0.1%	0.0%
Total	32		28,439		48,872		28,529,380		
2021									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	5	13.2%	4,067	13.4%	3,978	6.4%	3,045,600	7.8%	3.9%
Moderate	14	36.8%	10,457	34.5%	11,343	18.2%	9,475,095	24.1%	19.3%
LMI	19	50.0%	14,524	47.9%	15,321	24.6%	12,520,695	31.9%	23.2%
Middle	14	36.8%	10,327	34.1%	19,767	31.7%	10,616,795	27.0%	35.2%
Upper	5	13.2%	5,468	18.0%	27,248	43.7%	16,096,720	41.0%	41.6%
Unknown	0	0.0%	0	0.0%	38	0.1%	31,030	0.1%	0.0%
Total	38		30,319		62,374		39,265,240		
2022									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	4	5.3%	3,300	5.6%	1,920	5.1%	1,779,390	6.4%	3.5%
Moderate	22	28.9%	18,262	30.9%	6,803	18.1%	5,719,475	20.5%	18.5%
LMI	26	34.2%	21,562	36.5%	8,723	23.2%	7,498,865	26.9%	22.0%
Middle	34	44.7%	23,393	39.6%	14,360	38.2%	8,940,530	32.1%	40.6%
Upper	16	21.1%	14,098	23.9%	14,307	38.0%	11,175,055	40.1%	36.9%
Unknown	0	0.0%	0	0.0%	224	0.6%	278,720	1.0%	0.6%
Total	76		59,053		37,614		27,893,170		
2023									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	5	8.3%	4,585	11.0%	602	3.8%	998,140	7.4%	4.8%
Moderate	19	31.7%	14,909	35.9%	3,156	20.1%	3,081,140	23.0%	24.6%
LMI	24	40.0%	19,494	46.9%	3,758	23.9%	4,079,280	30.4%	29.4%
Middle	19	31.7%	12,198	29.4%	5,311	33.8%	4,107,705	30.6%	38.7%
Upper	17	28.3%	9,845	23.7%	6,514	41.5%	5,114,230	38.2%	30.1%
Unknown	0	0.0%	0	0.0%	113	0.7%	103,855	0.8%	1.0%
Total	60		41,537		15,696		13,405,070		
GRAND TOTAL									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	15	7.3%	12,732	8.0%		5.8%		7.2%	
Moderate	66	32.0%	51,591	32.4%		17.9%		22.6%	
LMI	81	39.3%	64,323	40.4%	38,996	23.7%	32,488,810	29.8%	
Middle	75	36.4%	51,491	32.3%		33.1%		28.4%	
Upper	50	24.3%	43,534	27.3%		42.9%		41.4%	
Unknown	0	0.0%	0	0.0%		0.2%		0.4%	
Total	206		159,348		164,556		109,092,860		

EMPIRE STATE BANK – CRA PERFORMANCE EVALUATION

b. Small Business Loans:

The distribution of ESB’s small business loans among census tracts of varying income levels was reasonable.

ESB’s average rates of small business lending in LMI census tracts were 15.8% by number and 20.1% by dollar value of loans, which were well below the aggregate’s rates of 39.5% and 38.4% respectively. However, ESB’s lending rates for 2023 significantly improved with the relocation of the Bank’s principal office and the change in the assessment area. Aggregate small business loan data was not available as of evaluation date.

Furthermore, small business lending in LMI census tracts in the Bank’s assessment area is highly competitive and dominated by larger financial institutions, as illustrated in 2022, in which two large national financial institutions had a combined market share of 64.8% of all reported small business lending in LMI census tracts in ESB’s assessment area.

The following table provides a summary of the distribution of ESB’s small business loans by the income level of the geography where the businesses were located.

EMPIRE STATE BANK – CRA PERFORMANCE EVALUATION

Distribution of Small Business Lending by Geographic Income of the Census Tract									
2020									
Geographic	Bank				Aggregate				Bus.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	15	3.4%	1,523	3.3%	14,245	13.6%	514,150	12.6%	11.6%
Moderate	51	11.5%	5,511	11.9%	27,521	26.2%	991,678	24.3%	27.7%
LMI	66	14.8%	7,034	15.2%	41,766	39.8%	1,505,828	36.9%	39.3%
Middle	98	22.0%	13,272	28.6%	28,702	27.3%	1,130,706	27.7%	29.0%
Upper	280	62.9%	25,622	55.2%	33,234	31.7%	1,333,928	32.7%	31.2%
Unknown	1	0.2%	477	1.0%	1,271	1.2%	105,963	2.6%	0.6%
Total	445		46,405		104,973		4,076,425		
2021									
Geographic	Bank				Aggregate				Bus.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	17	4.0%	2,278	5.3%	16,325	13.0%	483,348	13.0%	12.2%
Moderate	51	12.1%	7,321	16.9%	34,419	27.4%	923,223	24.8%	28.7%
LMI	68	16.2%	9,599	22.1%	50,744	40.4%	1,406,571	37.7%	40.9%
Middle	111	26.4%	14,514	33.5%	35,144	28.0%	1,028,164	27.6%	28.8%
Upper	240	57.1%	18,688	43.1%	37,465	29.8%	1,166,917	31.3%	29.7%
Unknown	1	0.2%	586	1.4%	2,249	1.8%	127,237	3.4%	0.5%
Total	420		43,387		125,602		3,728,889		
2022									
Geographic	Bank				Aggregate				Bus.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	1	3.3%	800	4.7%	15,493	12.8%	446,896	15.3%	11.0%
Moderate	2	6.7%	1,470	8.7%	31,096	25.7%	756,950	25.9%	26.4%
LMI	3	10.0%	2,270	13.4%	46,589	38.4%	1,203,846	41.2%	37.4%
Middle	15	50.0%	8,578	50.6%	38,715	31.9%	851,315	29.2%	32.7%
Upper	10	33.3%	4,611	27.2%	32,803	27.1%	718,325	24.6%	27.8%
Unknown	2	6.7%	1,500	8.8%	3,104	2.6%	146,365	5.0%	2.1%
Total	30		16,959		121,211		2,919,851		
2023									
Geographic	Bank				Aggregate				Bus.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	Loan Data was not available as of Evaluation Date				11.4%
Moderate	8	33.3%	5,227	39.9%					28.0%
LMI	8	33.3%	5,227	39.9%					39.4%
Middle	6	25.0%	1,970	15.0%					30.6%
Upper	10	41.7%	5,896	45.0%					27.7%
Unknown		0.0%	0	0.0%					2.2%
Total	24		13,093						
GRAND TOTAL									
Geographic	Bank				Aggregate				Bus.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	33	3.6%	4,601	3.8%		13.1%		13.5%	
Moderate	112	12.2%	19,529	16.3%		26.4%		24.9%	
LMI	145	15.8%	24,130	20.1%	139,099	39.5%	4,116,245	38.4%	
Middle	230	25.0%	38,334	32.0%		29.2%		28.1%	
Upper	540	58.8%	54,817	45.7%		29.4%		30.0%	
Unknown	4	0.4%	2,563	2.1%		1.9%		3.5%	
Total	919		119,844		351,786		10,725,165		

5. Action Taken in Response to Written Complaints with Respect to CRA: Not Rated

Neither DFS nor ESB received any written complaints during the evaluation period regarding ESB's CRA performance.

EMPIRE STATE BANK – CRA PERFORMANCE EVALUATION

B. Community Development Test: Outstanding

ESB’s community development performance demonstrated an excellent responsiveness to the community development needs of its assessment area through community development loans, qualified investments and community development services, considering ESB’s capacity, and the need for and availability of opportunities for community development in its assessment area.

1. Community Development Lending:

During the evaluation period, ESB originated \$22.6 million in new community development loans, and had \$5.7 million outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending over the course of the evaluation period.

The level of new community development loans for this evaluation period (4 years) represented a significant increase from the \$12.7 million recorded at the prior evaluation period (4 years). All new community development loans for this evaluation period supported affordable housing.

Community Development Loans				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
Purpose	# of Loans	\$000	# of Loans	\$000
Affordable Housing	25	22,616	15	5,735
Economic Development				
Community Services				
Other (Please Specify)				
Total	25	22,616	15	5,735

Below are highlights of ESB’s community development lending.

- ESB refinanced a \$5.5 million commercial mortgage loan secured by three multifamily properties with 48 rental units and located in Richmond County. The funds refinanced outstanding loans for all three properties and will also allow for improvements of the properties. Of the rental 48 units, 44 units are rented below the Housing and Urban Development (“HUD”) fair market rent (“FMR”) guidelines for the area, providing affordable housing.
- The Bank originated a \$1.2 million commercial mortgage loan for the purchase of two six-unit rent stabilized multifamily properties in a moderate-income census tract in Kings County. All units in the two properties are rented at or below HUD FMR guidelines for the area, providing affordable housing.
- ESB made a \$930,000 commercial mortgage loan to purchase a six-unit, rent stabilized multifamily property in a low-income census tract in Kings County. All six units have rents below the HUD FMR guidelines for the area, providing affordable housing.

EMPIRE STATE BANK – CRA PERFORMANCE EVALUATION

- The Bank originated a \$875,000 commercial mortgage loan to purchase a six-unit, rent stabilized multifamily property located in a moderate-income census tract in Kings County. All units in the property are rented below the HUD FMR guidelines for the area, providing affordable housing.
- ESB originated a \$820,000 mortgage loan to purchase a five-unit residential property located in Richmond County. All units had rents below the HUD FMR guidelines for the area, providing affordable housing.

2. Qualified Investments:

During the evaluation period, ESB made \$11 million in new qualified investments and had \$520,000 outstanding from prior evaluation periods. In addition, ESB made \$132,000 in qualified grants. This demonstrated an excellent level of qualified investments over the course of the evaluation period.

The level of new qualified investments and grants for the current evaluation period represented a significant increase from the \$2 million and \$61,000, respectively, recorded at the prior evaluation. All new qualified investments for the current evaluation period were made for the purpose of economic development, and a majority of the qualified grants were made for community service.

Qualified Investments and Grants				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
	# of Inv.	\$000	# of Inv.	\$000
CD Investments				
Affordable Housing			1	520
Economic Development	2	11,006		
Community Services				
Other (Please Specify)				
Total	2	11,006	1	\$ 520
CD Grants	# of Grants	\$000	<i>Not Applicable</i>	
Affordable Housing	7	11		
Economic Development	5	22		
Community Services	51	99		
Other (Please Specify)				
Total	63	132		

Below are highlights of ESB’s qualified investments and grants.

Investments

- ESB’s community development investments for this evaluation period consisted entirely of two deposits totaling \$11 million made with a Minority Deposit Institution, which is also a certified Community Development Financial Institution. The institution is headquartered in the Bronx in a moderate-income census tract and operates branches in Kings County.

EMPIRE STATE BANK – CRA PERFORMANCE EVALUATION

Grants

- ESB donated \$10,000 to an economic development organization in Kings County that provided no-interest loans and grants to small businesses to help them withstand the economic effects caused by the COVID-19 pandemic.
- ESB made grants totaling \$8,980 to a nonprofit community service organization during the evaluation period. The organization focuses on helping at risk young people by providing educational and leadership development. Programs offered include financial literacy and skill-based training, leadership and professional development, internships and English as second language courses. The organization also operates a food pantry.
- ESB made donations totaling of \$5,437 to an organization that provides support services for children and adults with autism. The organization provides a variety of community services and most of the programs offered are for those who are Medicaid eligible.
- ESB donated \$5,000 to a community service organization that provides services for those living with mental illness, alcohol addiction, substance abuse and domestic abuse. Programs offered include foster care, child and adult care, and food services.

3. Community Development Services:

ESB demonstrated a reasonable level of community development services over the course of the evaluation period.

During the evaluation period, bank management and employees participated in 47 instances of community development services, by serving as board or committee members of nonprofit community organizations and economic development corporations that provided services to LMI individuals and/or small businesses within the Bank’s assessment area.

Community Development Services	
Activity Type	Number of Activities
On-Going Board & Committee Memberships	47
Technical Assistance	0
Seminars	0
Credit Counseling	0
Other Services	0
Total Community Development Services	47

Below are highlights of ESB’s community development services.

- ESB’s Chief Executive Officer (“CEO”) and Chief Lending Officer served as executive directors of an economic development corporation in Richmond County. The corporation is a nonprofit organization, that through public and private investments promotes economic development, job growth and opportunity to ultimately improve life quality for all residents of Richmond County.

EMPIRE STATE BANK – CRA PERFORMANCE EVALUATION

- The CEO served on the board of an organization that promotes economic development in Kings County. The organization offers programs that provide small and micro businesses with financing needs, personalized guidance and support, to ensure that small businesses and Black, Indigenous People of Color-owned businesses succeed.
- A vice president of the Bank served as a director of an organization that provides nutritional meals to the elderly and people in need in Richmond County.
- An Assistant Vice President of the Bank served on the management committee of an organization, in Orange County, that supports small businesses by providing mentorship programs, business counseling and other services that benefit small businesses.

Responsiveness to Community Development Needs:

ESB demonstrated an excellent level of responsiveness through community development lending, qualified investments, and community development services.

C. Additional Factors

1. The extent of participation by the banking institution’s Board of Directors or Board of Trustees in formulating the banking institution’s policies and reviewing its performance with respect to the purposes of the CRA.

ESB’s board of directors (the “board”) appoints the CRA Officer, and annually reviews and approves the Bank’s assessment area and the CRA policy when needed. The CRA officer is responsible for administering, developing and implementing the CRA program, and periodically reporting to the board. The CRA officer presents periodic internal reports, as well as an annual CRA performance report including community development activities, to keep the board abreast of the Bank’s CRA performance.

2. Discrimination and other illegal practices

- *Any practices intended to discourage applications for types of credit set forth in the banking institution’s CRA Public File.*

DFS examiners did not note practices by ESB intended to discourage applications for the types of credit offered by ESB.

- *Evidence of prohibited discriminatory or other illegal credit practices.*

DFS examiners did not note evidence by ESB of prohibited discriminatory or other illegal practices.

3. Record of opening and closing offices and providing services at offices

ESB operates three branches in Richmond County, two branches in Kings County and two loan production offices one in Richmond County and one in Queens County.

EMPIRE STATE BANK – CRA PERFORMANCE EVALUATION

The following openings and closings occurred during the evaluation period:

- In 2020, ESB opened a loan production office in Queens County in a middle-income census tract.
- In 2021, ESB opened two new branches in Richmond County. One branch is located in a middle-income census tract and the second branch is located in an upper-income census tract.
- In 2022, ESB closed a branch located in Richmond County in a middle-income census tract.

ESB branch hours are generally from 8:30AM to 5:00PM on weekdays, and all branches except one offer one day with extended hours until 6:00 PM and Saturday hours ranging from 8:30AM to 1:00PM. Supplementing the banking offices are ATMs as follows: cash-only 24-hour ATM at the loan production office in Richmond County, full-service 24-hour walkup ATM one at each of four branches, one walk-up ATM open on Saturday and Sunday from 5:00AM to 6:00PM at the fifth branch (middle-income census tract). Each branch also has a night depository drop. The Bank does not have any off-site ATMs.

Distribution of Branches within the Assessment Area							
County	N/A #	Low #	Moderate #	Middle #	Upper #	Total #	LMI %
Richmond				1	2	3	0%
Kings			1	1		2	50%
Total			1	2	2	5	20%

4. Process Factors

- Activities conducted by the banking institution to ascertain the credit needs of its community, including the extent of the banking institution’s efforts to communicate with members of its community regarding the credit services being provided by the banking institution.

Employees and senior management of ESB served on the boards and committees of various local economic development corporations and nonprofit community organizations. These activities allow bank management to ascertain the credit needs of its community and provide the opportunity to communicate with members of the community regarding the credit services offered by the Bank.

- The extent of the banking institution’s marketing and special credit-related programs to make members of the community aware of the credit services offered by the banking institution

ESB, as primarily a commercial lender, does not actively market or advertise its lending products. Also, the Bank did not offer any special credit-related promotions during the evaluation period.

5. Other factors that in the judgment of the Superintendent bear upon the extent to which ESB is helping to meet the credit needs of its entire community

During the evaluation period, ESB extended seven community development loans, totaling \$7.6 million within New York State but outside the Bank’s assessment area. All these loans supported the community development purpose of affordable housing.

V - GLOSSARY

Aggregate Lending

“Aggregate lending” means the number of loans originated and purchased by all reporting lenders in specified categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the assessment area.

Banking Development District (“BDD”) Program

The BDD Program is a program designed to encourage the establishment of bank branches in areas across New York State where there is a demonstrated need for banking services, in recognition of the fact that banks can play an important role in promoting individual wealth, community development, and revitalization. Among others, the BDD Program seeks to reduce the number of unbanked and underbanked New Yorkers and enhance access to credit for consumers and small businesses. More information about the program, may be found at <https://www.dfs.ny.gov> and search for the BDD Program.

Community Development

“Community development” means:

- Affordable housing (including multifamily housing) for LMI individuals;
- Community services targeted to LMI individuals;
- Activities that promote economic development by financing business or farms that meet the size eligibility standards of the United States Small Business Administration (“SBA”) Development Company or Small Business Investment Company programs, or have gross annual incomes of \$1 million or less;
- Activities that revitalize or stabilize LMI geographies, designated disaster areas, or distressed or underserved metropolitan middle-income geographies designated by the Board of Governors of the federal Reserve System, FDIC and the Office of Comptroller of the Currency; and
- Activities that seek to prevent defaults and/or foreclosures in loans included in the first and third bullet points above.

Community Development Loan

“Community development loan” means a loan that has its *primary purpose* community development. This includes but is not limited to loans to:

- Borrowers for affordable housing rehabilitation and construction, including construction and permanent financing for multifamily rental property serving LMI persons (DFS multifamily industry letter www.dfs.ny.gov/industry_guidance/industry_letters/il20141204_guidelines_bank_lending_multifamily_properties_cra_updated) ;
- Nonprofit organizations serving primarily LMI or other community development needs;
- Borrowers to construct or rehabilitate community facilities that are located in LMI areas or that primarily serve LMI individuals;

EMPIRE STATE BANK – CRA PERFORMANCE EVALUATION

- Financial intermediaries including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds or pools, micro-finance institutions, and low-income or community development credit unions that primarily lend or facilitate lending to promote community development;
- Local, state and tribal governments for community development activities; and
- Borrowers to finance environmental clean-up or redevelopment of an industrial site as part of an effort to revitalize the LMI community in which the property is located.

Community Development Service

“Community development service” means a service that has community development as its *primary purpose*, is related to the provision of financial services, and has not been considered in the evaluation of the banking institution's retail banking services. This includes but is not limited to:

- Providing technical assistance on financial matters to nonprofit, tribal or government organizations serving LMI housing or economic revitalization and development needs;
- Providing technical assistance on financial matters to small businesses or community development organizations;
- Lending employees to provide financial services for organizations facilitating affordable housing construction and rehabilitation or development of affordable housing;
- Providing credit counseling, home buyers and home maintenance counseling, financial planning or other financial services education to promote community development and affordable housing;
- Establishing school savings programs for LMI individuals;
- Providing seminars for LMI persons on banking and bank account record-keeping;
- Making ATM “Training Machines” available for extended periods at LMI community sites or at community facilities that serve LMI individuals; and
- Technical assistance activities to community development organizations such as:
 - ❖ Serving on a loan review committee;
 - ❖ Developing loan application and underwriting standards;
 - ❖ Developing loan processing systems;
 - ❖ Developing secondary market vehicles or programs;
 - ❖ Assisting in marketing financial services, including the development of advertising and promotions, publications, workshops and conferences;
 - ❖ Furnishing financial services training for staff and management;
 - ❖ Contributing accounting/bookkeeping services; and
 - ❖ Assisting in fund raising, including soliciting or arranging investments.

Community Development Financial Institution (“CDFI”)

A CDFI is a financial institution that provides credit and financial services to underserved markets and populations and has a primary mission of community development, serves a target market, is a financing entity, provides development services, remains accountable to its community, and is a non-governmental entity. CDFIs are certified as such by United States Treasury Department’s CDFI Fund.

EMPIRE STATE BANK – CRA PERFORMANCE EVALUATION

Fair Market Rents (“FMRs”)

Fair Market Rents are published and developed annually by the US Department of Housing and Urban Development (“HUD”) and used to determine rent payments for affordable housing projects such as Section 8 contracts in defined metropolitan statistical areas (“MSAs”) nationwide. For easy reference of annual FMRs in New York MSAs or counties, go to www.huduser.gov/portal/datasets/fmr.html

Geography

“Geography” means a census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (“HMDA”)

The Home Mortgage Disclosure Act, enacted by Congress in 1975, and subsequently amended, requires institutions to annually report data about applications for residential (including multifamily) financing.

Income Level

The income level for borrowers is based on household or family income. A geography’s income is categorized by median family income for the geography. In both cases, the income is compared to the Metropolitan Statistical Area (“MSA”) or statewide nonmetropolitan median income.

Income level of individual or geography	% of the area median income
Low-income	Less than 50
Moderate-income	At least 50 and less than 80
Middle-income	At least 80 and less than 120
Upper-income	120 or more

LMI Geographies

“LMI geographies” means those census tracts or block numbering areas where, according to the most current U.S. Census, the median family income is less than 80% of the area median family income. In the case of tracted areas that are part of a MSA or Primary Metropolitan Statistical Area (“PMSA”), this would relate to the median family income for the MSA or PMSA in which the tracts are located. In the case of Block Numbering Areas (“BNAs”) and tracted areas that are not part of a MSA or PMSA, the area median family income would be the statewide non-metropolitan median family income.

EMPIRE STATE BANK – CRA PERFORMANCE EVALUATION

LMI Borrowers

“LMI borrowers” means borrowers whose income, as reported on the loan application which the lender relied upon in making the credit decision, is less than 80% of the area median family income. In cases where the residential property is located in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure borrower income levels are updated annually by the Federal Financial Institutions Examination Council (“FFIEC”).

LMI Individuals/Persons

“LMI individuals” or “LMI persons” means individuals or persons whose income is less than 80% of the area median family income. In the case where the individual resides in a MSA or PMSA, this would relate to the median family income for that MSA or PMSA. Otherwise, the area median family income would be the statewide non-metropolitan median family income. In all instances, the area median family incomes used to measure individual income levels are updated annually by the FFIEC.

LMI Penetration Rate

“LMI penetration rate” means the percentage of a bank’s total loans (for a particular product) that was extended to LMI geographies or borrowers. For example, if a bank made 20 out of a total of 100 loans in LMI geographies or to LMI borrowers, the penetration rate would be 20%.

Low-Income Housing Tax Credit (“LIHTC”)

LIHTC were created under the Tax Reform Act of 1986, that provides incentives to invest in projects for the utilization of private equity in the development of affordable housing aimed at low-income Americans. The tax credits provide a dollar-for-dollar reduction in a taxpayer’s federal income tax. It is more commonly attractive to corporations since the passive loss rules and similar tax changes greatly reduced the value of tax credits and deductions to individual taxpayers.

Minority Depository Institutions (“MDIs”)

An MDI is defined as a federal insured depository institution for which (1) 51 percent or more of the voting stock is owned by minority individuals; or (2) a majority of the board of directors is minority and the community that the institution serves is predominantly minority. For more of MDIs, go to FDIC.gov (Minority Depository Institutions Program) including list of MDIs.

New Markets Tax Credit (“NMTC”)

The NMTC Program was established by Congress in December 2000 to stimulate economic and community development and job creation in low-income communities. It permits taxpayers to receive a credit against federal income taxes for making qualified equity investments in Community Development Entities (“CDEs”). The credit provided to the investor totals 39% of the cost of the investment and is claimed over a 7-year period. CDEs must use substantially all of the

EMPIRE STATE BANK – CRA PERFORMANCE EVALUATION

taxpayer's investments to make qualified investments in low-income communities. The Fund is administered by the CDFI Fund, an agency of the United States Department of the Treasury.

Paycheck Protection Program (“PPP”) Loans

The Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) temporarily permits the U.S. Small Business Administration (“SBA”) to guarantee 100% of 7(a) loans under a new program titled the “Paycheck Protection Program”. The intent of the PPP is to help small business cover payroll costs providing for forgiveness of up to the full principal of qualifying loans guaranteed under the PPP subject to certain rules including how much or percentage of the loan proceeds a borrower spends on payroll costs. A small business owner can apply through any existing SBA 7(a) lender or through any federally insured depository institution, federally insured credit union, and Farm Credit System institution that is participating. Any amount of the PPP loan that is not forgiven shall be repaid over a 5-year term at a fixed interest rate of 1%. The program officially ended May 31, 2021.

Qualified Investment

“Qualified investment” means a lawful investment, deposit, membership share or grant that has community development as its *primary purpose*. This includes but is not limited to investments, deposits, membership shares or grants in or to:

- Financial intermediaries (including community development financial institutions, community development corporations, minority- and women-owned financial institutions, community loan funds, micro-finance institutions and low-income or community development credit unions) that primarily lend or facilitate lending in LMI areas or to LMI individuals in order to promote community development;
- Organizations engaged in affordable housing rehabilitation and construction;
- Organizations, including, for example, small business investment corporations that promote economic development by financing small businesses;
- Facilities that promote community development in LMI areas or LMI individuals, such as youth programs, homeless centers, soup kitchens, health care facilities, battered women's centers, and alcohol and drug recovery centers;
- Projects eligible for low-income housing tax credits;
- State and municipal obligations, such as revenue bonds that specifically support affordable housing or other community development needs;
- Organizations serving LMI housing or other community development needs, such as counseling for credit, home ownership, home maintenance, and other financial services education; and
- Organizations supporting activities essential to the capacity of LMI individuals or geographies to utilize credit to sustain economic development, such as day care operations and job training programs that facilitate access to permanent jobs.

Small Business Loan

A small business loan is a loan less than or equal to \$1 million.