



**PUBLIC SUMMARY**

**COMMUNITY REINVESTMENT ACT**

**PERFORMANCE EVALUATION**

**OF**

**ALMA BANK**

**AS OF SEPTEMBER 30, 2021**

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.

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## GENERAL INFORMATION

This document is an evaluation of the Community Reinvestment Act (“CRA”) performance of Alma Bank (“Alma” 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 institution’s CRA performance based on an evaluation conducted as of September 30, 2021.

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 written summary (“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 back of this document.

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## OVERVIEW OF INSTITUTION'S PERFORMANCE

The Department evaluated Alma 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 2019 and 2020 for lending activities and July 1, 2019 to September 30, 2021 for community development activities. Alma is rated "2," indicating a "Satisfactory" record of helping to meet community credit needs.

The rating is based on the following factors:

**Lending Test:** Satisfactory

**Loan-to-Deposit Ratio and Other Lending-Related Activities:** Outstanding

Alma's average loan-to-deposit ("LTD") ratio was excellent considering its size, business strategy, financial condition and peer group activity.

Alma's average LTD ratio of 99.2% for the evaluation period was well above the peer's average LTD ratio of 85.3%.

**Assessment Area Concentration:** Satisfactory

During the evaluation period, Alma originated 70.7% by number and 66.9% by dollar value of its total HMDA-reportable and small business loans within the assessment area, demonstrating a reasonable concentration of lending.

**Distribution by Borrower Characteristics:** Satisfactory

Alma's small business lending demonstrated a reasonable distribution of loans among businesses of different revenue sizes.

The distribution by borrower characteristics was evaluated solely on the Bank's small business lending activities, as the bank's 1-4 family HMDA loans were made to investors, for which borrower income is not HMDA-reportable.

**Geographic Distribution of Loans:** Satisfactory

Alma's origination of HMDA and small business loans in census tracts of varying income levels demonstrated a reasonable distribution of lending.

**Action Taken in Response to Written Complaints with Respect to CRA:** N/A

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

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**Community Development Test:** Satisfactory

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

**Community Development Lending:** Outstanding

During the evaluation period, Alma originated \$24.6 million in new community development loans, and had \$73.8 million outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending over the course of the evaluation period.

**Qualified Investments:** Satisfactory

During the evaluation period, Alma made \$735,000 in new qualified investments and had \$2.1 million outstanding from prior evaluation periods. In addition, Alma made \$33,953 in qualified grants. This demonstrated a reasonable level of qualified investments over the course of the evaluation period.

**Community Development Services:** Needs to Improve

Alma demonstrated a less than adequate level of community development services over the course of the evaluation period. The Bank had three instances of community development services for the current evaluation period which is a decrease from ten instances at the prior evaluation.

**Responsiveness to Community Development Needs:**

Alma demonstrated a reasonable level of responsiveness through community development lending, investments and services.

*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.*

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## **PERFORMANCE CONTEXT**

### **Institution Profile**

Alma is a New York State-chartered commercial bank headquartered in the Astoria neighborhood of Queens County.

The Bank operates nine banking offices in New York State, of which four are located in Queens County, three in Kings County, one in New York County and one in Bronx County. Five of the nine branches (56%) are located in low- or moderate-income census tracts. Supplementing the banking offices is an automated teller machine (“ATM”) network consisting of a deposit-taking ATM at each branch. Alma customers also have surcharge free access to over 55,000 ATMs through the Allpoint Network.

Alma offers traditional personal and business banking products and services. Deposit products include checking and saving accounts, money market accounts and individual retirement accounts. The Bank’s loan products include commercial and industrial loans, commercial real estate and multifamily mortgage loans, as well as one-to-four residential mortgage loans. It also offers online, telephone and mobile banking.

In its Consolidated Report of Condition (the “Call Report”) as of December 31, 2020, filed with the Federal Deposit Insurance Corporation (“FDIC”), Alma reported total assets of \$1.2 billion, of which \$1 billion were net loans and lease financing receivables, and total deposits of \$1.1 billion, resulting in a LTD ratio of 96.4%. According to the comparative deposit data as of June 30, 2021, Alma obtained a market share of .05%, or \$979 million in a market of \$1.8 trillion, ranking it 47th among 110 deposit-taking institutions in its assessment area.

The following is a summary of the Bank’s loan portfolio, based on Schedule RC-C of the Bank’s December 31, 2019 and December 31, 2020 Call Reports:

<b>TOTAL GROSS LOANS OUTSTANDING</b>				
Loan Type	2019		2020	
	\$000's	%	\$000's	%
1-4 Family Residential Mortgage Loans	39,943	3.9	36,474	3.5
Commercial & Industrial Loans	161,729	16.0	175,516	16.8
Commercial Mortgage Loans	615,933	60.8	617,550	59.2
Multifamily Mortgages	151,827	15.0	160,487	15.4
Consumer Loans	802	0.1	686	0.1
Construction Loans	42,096	4.2	51,723	5.0
Other Loans	805	0.1	1,423	0.1
Total Gross Loans	1,013,135		1,043,859	

As illustrated in the above table, Alma is primarily a commercial lender, with 59.2% of its loan portfolio in commercial mortgage loans, 16.8% in commercial and industrial loans and 15.4% in multifamily mortgages.

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

### **Assessment Area**

The Bank's assessment area is comprised of all of New York County and portions of Bronx, Kings, and Queens Counties.

There are 1384 census tracts in the Bank's assessment area, of which 91 are low-income, 360 are moderate-income, 486 are middle-income, 404 are upper-income, and 43 are tracts with no income indicated.

<b>Assessment Area Census Tracts by Income Level</b>							
County	N/A	Low	Mod	Middle	Upper	Total	LMI %
Bronx*		13	57	50	15	135	51.9
Kings*	6	29	110	119	57	321	43.3
Queens*	22	15	136	296	171	640	23.6
New York	15	34	57	21	161	288	31.6
Total	43	91	360	486	404	1,384	32.6

\* *Partial county*

### **Demographic & Economic Data**

The assessment area had a population of 5,426,694 during the evaluation period. Approximately 13.7% of the population was over the age of 65 and 17.5% was under the age of 16.

Of the 1,184,346 families in the assessment area 29.3% were low-income, 16.1% were moderate-income, 15.9% were middle-income and 38.7% were upper-income. There were 2,045,163 households in the assessment area, of which 16.7% had income below the poverty level and 3.3% were on public assistance.

The weighted average median family income in the assessment area was \$76,896.

There were 2,256,167 housing units within the assessment area, of which 36.5% were one-to-four family units and 63.3% were multifamily units. A majority (60.3%) of the housing units were rental units, while 30.4% were owner-occupied.

Of the total 1,359,734 rental units, 42.9% were in LMI census tracts while 56.7% were in middle- and upper-income census tracts. The average monthly rent in the assessment area was \$1,446.

Of the 685,429 owner-occupied housing units, 18.6% were in LMI census tracts while 81.1% were in middle- and upper-income census tracts. The median home value in the assessment area was \$581,710 and the median age of the housing stock was 72 years.

There were 628,799 non-farm businesses in the assessment area. Of these, 90.3% were businesses with reported revenues of less than or equal to \$1 million, 4.9% reported revenues of more than \$1 million and 4.8% did not report their revenues. Of all the businesses in the assessment area, 94.8% were businesses with less than fifty employees while 93.8% operated from a single location. The largest industries in the area were services (35.2%), retail trade (11.2%) and finance, insurance & real estate (10.8%); 28.9% of businesses in the assessment area were not classified.

According to the New York State Department of Labor, the average unemployment rate for New York State and all counties in the assessment area increased significantly from 2019 to 2020. This was due to the COVID-19 pandemic, which caused massive layoffs in the labor force. During the evaluation period Bronx County had the highest unemployment rates among the four counties in the assessment area, and New York County had the lowest.

<b>Assessment Area Unemployment Rate</b>					
	Statewide	Bronx	Kings	Queens	New York
2019	3.8	5.3	4.0	3.4	3.4
2020	10.0	16.0	12.5	12.5	9.5
<b>Average rate for years above</b>	<b>6.9</b>	<b>10.7</b>	<b>8.3</b>	<b>8.0</b>	<b>6.5</b>

### **Community Information**

DFS examiners conducted community contact interviews with representatives from two nonprofit organizations.

The first representative was the director of operations of a nonprofit organization that provides services to New York public housing residents. The representative stated that many public housing residents are underbanked and cannot afford the minimum requirement to open a bank account. The representative stated that financial institutions should offer affordable savings and checking accounts with low or no fees for overdraft coverage. The representative stated that loan products with low interest rates and services that help to increase and build credit are also needed.

The second interview was with the executive director of an organization that provides support to tenants and cooperative homeowners. The representative stated that Covid-19 caused many tenants and cooperative owners to lose their jobs making it a challenge to make rent or mortgage payments. In addition, the representative noted the impact of inflation resulting in higher food and gas prices, resulting in individuals having less spending power. The representative noted a need for more refinancing options for cooperative homeowners.



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## **PERFORMANCE STANDARDS AND ASSESSMENT FACTORS**

The Department evaluated Alma under the intermediate small banking institutions 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. Alma 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 2010 U.S. Census and the FFIEC. DFS based business data on Dun & Bradstreet reports, which are updated annually. DFS obtained unemployment data from the New York State Department of Labor. Some non-specific bank data are only available on a county-wide basis, and DFS used this information even where the institution's assessment area includes partial counties.

The evaluation period included calendar years 2019 and 2020 for lending activities and the period from July 1, 2019 to September 30, 2021 for community development activities.

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

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HMDA-reportable loans was not evaluated for distribution by borrower characteristics as those loans were made for business purposes for which borrower income was not reportable.

Because Alma is not required to report small business loan data, Alma’s small business lending is not included in the aggregate data. The aggregate data are shown only for comparative purposes.

At its prior Performance Evaluation, as of June 30, 2019, DFS assigned Alma a rating of “2,” reflecting a “Satisfactory” record of helping to meet the credit needs of Alma’s community.

**Current CRA Rating: Satisfactory**

**Lending Test:** Satisfactory

Alma’s HMDA-reportable and small business lending activities were reasonable in light of Alma’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.

**Loan-to-Deposit Ratio and Other Lending-Related Activities:** Outstanding

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

The Bank’s average LTD ratio of 99.2% for the evaluation period was well above the peer group’s average ratio of 85.3%. Alma’s quarterly average LTD ratios ranged from a low of 95.1% to a high of 103.8%, as illustrated in the table below.

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

<b>Loan-to-Deposit Ratios</b>									
	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1	2020 Q2	2020 Q3	2020 Q4	Avg.
Bank	103.3	103.8	102.7	98.7	95.7	95.1	97.7	96.4	99.2
Peer	85.9	87.0	86.7	86.6	86.1	85.4	84.6	80.4	85.3

**Assessment Area Concentration:** Satisfactory

During the evaluation period, Alma originated 70.7% by number and 66.9% by dollar value of its total HMDA-reportable and small business loans within the assessment area, demonstrating a reasonable concentration of lending.

**HMDA-Reportable Loans:**

During the evaluation period, Alma originated 75% by number and 68.5% by dollar value of its HMDA-reportable loans within the assessment area. This majority of lending inside of Alma’s assessment area reflects a reasonable concentration of lending.

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Small Business Loans:

During the evaluation period, Alma originated 70% by number and 64.7% by dollar value of its small business loans within the assessment area. This majority of lending inside of Alma's assessment area reflects a reasonable concentration of lending.

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

<b>Distribution of Loans Inside and Outside of the Assessment Area</b>										
Loan Type	Number of Loans					Loans in Dollars (in thousands)				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
<b>HMDA-Reportable</b>										
2019	18	90.0%	2	10.0%	20	28,730	92.3%	2,400	7.7%	31,130
2020	9	56.3%	7	43.8%	16	14,681	45.6%	17,520	54.4%	32,201
Subtotal	27	75.0%	9	25.0%	36	43,411	68.5%	19,920	31.5%	63,331
<b>Small Business</b>										
2019	16	45.7%	19	54.3%	35	5,496	41.6%	7,704	58.4%	13,200
2020	143	74.5%	49	25.5%	192	24,142	74.1%	8,445	25.9%	32,587
Subtotal	159	70.0%	68	30.0%	227	29,638	64.7%	16,149	35.3%	45,787
Grand Total	186	70.7%	77	29.3%	263	73,049	66.9%	36,069	33.1%	109,118

Distribution by Borrower Characteristics: Satisfactory

Alma's small business lending demonstrated a reasonable distribution of loans among businesses of different revenue sizes.

The evaluation of distribution by borrower characteristics was limited to the Alma's small business lending activities. DFS excluded Payment Protection Program ("PPP") loans from the analysis of small business lending by borrower distribution because PPP loans did not require the collection of business revenue for approval. This was done not to negatively skew the "Distribution of Small Business by Revenue Size of the Business" analysis.

During the evaluation period, Alma's average rate of lending to businesses of gross annual revenue size of \$1 million or less was 47.4% by number and 35.2% by dollar value, higher than the aggregate's average rates of 40.5% and 21.1%, respectively. Both Alma's and the aggregate's rates trailed the business demographic in the assessment area.

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

<b>Distribution of Small Business Lending by Revenue Size of Business</b>									
<b>2019</b>									
<b>Rev. Size</b>	<b>Bank</b>				<b>Aggregate</b>				<b>Bus.Dem.</b>
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	9	56.3%	1,916	34.9%	92,619	45.9%	1,614,923	27.7%	87.2%
Rev. > \$1MM	7	43.8%	3,580	65.1%					6.6%
Rev. Unknown		0.0%		0.0%					6.2%
<b>Total</b>	<b>16</b>		<b>5,496</b>		<b>201,987</b>		<b>5,833,120</b>		
<b>2020</b>									
<b>Rev. Size</b>	<b>Bank</b>				<b>Aggregate</b>				<b>Bus.Dem.</b>
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	9	40.9%	1,742	35.5%	71,926	35.2%	1,902,651	17.5%	90.3%
Rev. > \$1MM	10	45.5%	2,970	60.5%					4.9%
Rev. Unknown	3	13.6%	196	4.0%					4.8%
<b>Total</b>	<b>22</b>		<b>4,908</b>		<b>204,464</b>		<b>10,854,549</b>		
<b>GRAND TOTAL</b>									
<b>Rev. Size</b>	<b>Bank</b>				<b>Aggregate</b>				<b>Bus.Dem.</b>
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	18	47.4%	3,658	35.2%	164,545	40.5%	3,517,574	21.1%	
Rev. > \$1MM	17	44.7%	6,550	63.0%					
Rev. Unknown	3	7.9%	196	1.9%	0				
<b>Total</b>	<b>38</b>		<b>10,404</b>		<b>406,451</b>		<b>16,687,669</b>		

Geographic Distribution of Loans: Satisfactory

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

HMDA-Reportable Loans:

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

During the evaluation period, Alma originated 48.1% by number of loans and 44.6% by dollar value of its HMDA-reportable loans in LMI census tract, well above the aggregate's rates of 18.3% and 18.9%, respectively. In addition, Alma's rates of lending in LMI census tracts exceeded the LMI owner-occupied demographic levels of 18.6%.

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

<b>Distribution of HMDA-Reportable Lending by Geographic Income of the Census Tract</b>									
<b>2019</b>									
<b>Geographic</b>	<b>Bank</b>				<b>Aggregate</b>				<b>OO HUs</b>
<b>Income</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>%</b>
Low	1	5.6%	2,550	8.9%	1,308	2.8%	2,185,330	4.4%	2.3%
Moderate	9	50.0%	14,940	52.0%	7,542	16.2%	7,509,130	15.2%	16.3%
LMI	10	55.6%	17,490	60.9%	8,850	19.0%	9,694,460	19.6%	18.6%
Middle	5	27.8%	7,190	25.0%	14,634	31.5%	9,922,610	20.1%	35.9%
Upper	3	16.7%	4,050	14.1%	22,867	49.2%	29,355,095	59.4%	45.3%
Unknown		0.0%		0.0%	146	0.3%	431,080	0.9%	0.3%
<b>Total</b>	<b>18</b>		<b>28,730</b>		<b>46,497</b>		<b>49,403,245</b>		
<b>2020</b>									
<b>Geographic</b>	<b>Bank</b>				<b>Aggregate</b>				<b>OO HUs</b>
<b>Income</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>%</b>
Low		0.0%		0.0%	1,466	2.7%	1,655,620	3.5%	2.3%
Moderate	3	33.3%	1,851	12.6%	8,313	15.1%	6,970,815	14.6%	16.3%
LMI	3	33.3%	1,851	12.6%	9,779	17.8%	8,626,435	18.1%	18.6%
Middle	6	66.7%	12,830	87.4%	17,569	31.9%	9,901,605	20.7%	35.9%
Upper		0.0%		0.0%	27,564	50.0%	29,038,810	60.8%	45.3%
Unknown		0.0%		0.0%	167	0.3%	195,585	0.4%	0.3%
<b>Total</b>	<b>9</b>		<b>14,681</b>		<b>55,079</b>		<b>47,762,435</b>		
<b>GRAND TOTAL</b>									
<b>Geographic</b>	<b>Bank</b>				<b>Aggregate</b>				<b>OO HUs</b>
<b>Income</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>%</b>
Low	1	3.7%	2,550	5.9%	2774	2.7%	3,840,950	4.0%	
Moderate	12	44.4%	16,791	38.7%	15,855	15.6%	14,479,945	14.9%	
LMI	13	48.1%	19,341	44.6%	18,629	18.3%	18,320,895	18.9%	
Middle	11	40.7%	20,020	46.1%	32,203	31.7%	19,824,215	20.4%	
Upper	3	11.1%	4,050	9.3%	50,431	49.6%	58,393,905	60.1%	
Unknown		0.0%		0.0%	313	0.3%	626,665	0.6%	
<b>Total</b>	<b>27</b>		<b>43,411</b>		<b>101,576</b>		<b>97,165,680</b>		

*Small Business Loans:*

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

Alma originated 30.8% by number and 31.1% by dollar value of its small business loans in LMI census tracts, outperforming the aggregate's rates of 24.9% and 18.9%, respectively. Alma's rates of lending to small businesses in LMI census tracts also exceeded the business demographics, which ranged from 24.9% to 25.1% for the evaluation period.

However, Alma's average rates of lending in low-income census tracts of 2.5% by number and 1.9% by dollar volume trailed the aggregate's rates of 5.4% and 3.5%, respectively.

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

<b>Distribution of Small Business Lending by Geographic Income of the Census Tract</b>									
<b>2019</b>									
<b>Geographic</b>	<b>Bank</b>				<b>Aggregate</b>				<b>Bus.Dem.</b>
<b>Income</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>%</b>
Low	0	0.0%		0.0%	11,143	5.5%	231,662	4.0%	5.0%
Moderate	5	31.3%	2,492	45.3%	40,319	20.0%	999,093	17.1%	20.1%
LMI	5	31.3%	2,492	45.3%	51,462	25.5%	1,230,755	21.1%	25.1%
Middle	4	25.0%	991	18.0%	43,326	21.4%	1,038,641	17.8%	21.5%
Upper	7	43.8%	2,013	36.6%	100,536	49.8%	3,199,806	54.9%	49.9%
Unknown		0.0%		0.0%	6,663	3.3%	363,918	6.2%	3.5%
<b>Total</b>	<b>16</b>		<b>5,496</b>		<b>201,987</b>		<b>5,833,120</b>		
<b>2020</b>									
<b>Geographic</b>	<b>Bank</b>				<b>Aggregate</b>				<b>Bus.Dem.</b>
<b>Income</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>%</b>
Low	4	2.8%	555	2.3%	10,927	5.3%	359,424	3.3%	5.0%
Moderate	40	28.0%	6,158	25.5%	38,862	18.9%	1,559,476	14.4%	19.9%
LMI	44	30.8%	6,713	27.8%	49,789	24.3%	1,918,900	17.7%	24.9%
Middle	58	40.6%	9,810	40.6%	41,919	20.4%	1,609,312	14.8%	21.1%
Upper	38	26.6%	7,181	29.7%	106,084	51.7%	6,640,627	61.2%	50.5%
Unknown	3	2.1%	438	1.8%	7,302	3.6%	685,710	6.3%	3.6%
<b>Total</b>	<b>143</b>		<b>24,142</b>		<b>205,094</b>		<b>10,854,549</b>		
<b>GRAND TOTAL</b>									
<b>Geographic</b>	<b>Bank</b>				<b>Aggregate</b>				<b>Bus.Dem.</b>
<b>Income</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>\$000's</b>	<b>%</b>	<b>%</b>
Low	4	2.5%	555	1.9%	22,070	5.4%	591,086	3.5%	
Moderate	45	28.3%	8,650	29.2%	79,181	19.5%	2,558,569	15.3%	
LMI	49	30.8%	9,205	31.1%	101,251	24.9%	3,149,655	18.9%	
Middle	62	39.0%	10,801	36.4%	85,245	20.9%	2,647,953	15.9%	
Upper	45	28.3%	9,194	31.0%	206,620	50.8%	9,840,433	59.0%	
Unknown	3	1.9%	438	1.5%	13,965	3.4%	1,049,628	6.3%	
<b>Total</b>	<b>159</b>		<b>29,638</b>		<b>407,081</b>		<b>16,687,669</b>		

Action Taken in Response to Written Complaints with Respect to CRA: N/A

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

**Community Development Test:** Satisfactory

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

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Community Development Lending: Outstanding

During the evaluation period, Alma originated \$24.6 million in new community development loans and had \$73.8 million outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending over the course of the evaluation period.

<b>Community Development Loans</b>				
	<b>This Evaluation Period</b>		<b>Outstandings from Prior Evaluation Periods</b>	
<b>Purpose</b>	<b># of Loans</b>	<b>\$000</b>	<b># of Loans</b>	<b>\$000</b>
Affordable Housing	7	12,752	13	31,918
Economic Development	4	6,618	33	32,886
Community Services	0	0	2	5,066
Revitalize/Stablize	3	5,191	2	3,903
<b>Total</b>	<b>14</b>	<b>24,561</b>	<b>50</b>	<b>73,773</b>

Below are highlights of Alma’s community development lending.

- Alma originated seven PPP loans totaling \$11.8 million in its assessment area. The loans supported economic development and revitalized or stabilized LMI areas by providing much needed financial assistance to small businesses during the COVID-19 pandemic helping to retain jobs.
- Alma refinanced the following loans secured by multifamily housing properties rented for less than the U.S. Department of Housing and Urban Development’s (“HUD”) fair market rents (“FMRs”), providing affordable housing for LMI individuals and families within the assessment area:
  - A \$5.5 million loan secured by a mixed-use retail and residential housing property in Queens County. The property contains 15 retail units and 28 residential units, of which 22 residential units are rented below the FMRs.
  - A \$2.4 million loan secured by a multifamily residential property, where 29 of the 30 units are rented below the FMRs.
- Alma originated a \$600,000 loan to finance the purchase of a multifamily residential property, located in a moderate-income census tract in Queens County, where all six units are rented at below FMRs.

Qualified Investments: Satisfactory

During the evaluation period, Alma made \$735,000 in new qualified investments and had \$2.1 million outstanding from prior evaluation periods. In addition, Alma made \$33,953 in grants. This demonstrated a reasonable level of qualified investments over the course of the evaluation period.

Qualified Investments and Grants				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
CD Investments	# of Inv.	\$000	# of Inv.	\$000
Affordable Housing	3	\$ 735	5	1,629
Economic Development			1	508
<b>Total</b>	<b>3</b>	<b>\$ 735</b>	<b>6</b>	<b>2,137</b>
CD Grants	# of Grants	\$000	Not Applicable	
Community Services	22	\$ 34		
<b>Total</b>	<b>22</b>	<b>\$ 34</b>		

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

- Alma purchased three bonds totaling \$735,000 that provided funding to a New York State affordable housing agency. The bonds supported affordable housing.
- The Bank made three grants for a total of \$10,700 to a local nonprofit organization that provides housing services within the assessment area. These services include financial education programs and counseling services that enable low- and moderate-income New York City residents to buy, maintain and stay in their homes.
- Alma made two grants totaling \$5,000 to a local organization whose mission is to assist low-income individuals achieve financial empowerment through its educational programs and coaching services.

Community Development Services: Needs to Improve

Alma demonstrated a less than adequate level of community development services over the course of the evaluation period. The Bank had three instances of qualified community development services for the current evaluation period, which is a decrease from ten instances at the prior evaluation.

Summary of Community Development Services	
Service Activity Type	Number of Activities
On-Going Board & Committee membership	
Technical Assistance	
Seminars	3
Credit Counseling Programs	
Other Services	
<b>Total Community Development Services</b>	<b>3</b>

Below are highlights of Alma’s community development services.

- Alma’s senior compliance analyst served as an online judge for a competition that required high school students to develop a business plan under the theme “Innovative services help solve problems in the community.” Of the high school population, 89% of students qualified for reduced cost or free lunch.



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- Alma, in cooperation with a local nonprofit organization, conducted an elder abuse financial education awareness seminar for senior citizens in the community.

#### Responsiveness to Community Development Needs:

Alma demonstrated a reasonable level of responsiveness through community development lending, investments and services.

#### **Additional Factors**

**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.**

The Board of Directors (“BOD”) delegated oversight of CRA to the Risk and Compliance Committee (“RCC”) including appointing the CRA Officer and approving the CRA policy and assessment area. The CRA Policy is reviewed annually by the CRA Officer and RCC with any material changes requiring BOD approval.

#### **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 Alma intended to discourage applications for the types of credit offered by Alma.

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

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

#### **Record of opening and closing offices and providing services at offices**

The Bank closed the Sunset Park branch located in Brooklyn (Kings County), during the evaluation period. Alma’s record of opening and closing branches has not adversely affected the accessibility of its delivery systems, including LMI geographies and/or individuals.

As of the evaluation date, Alma operated nine full-service banking offices in New York State, five of which were in moderate-income census tracts. Alma’s branch network was supplemented by one full-service ATM at each branch. Banking hours were Monday to Friday from 9:00 AM to either 5:00 PM or 6:00 PM. A banking office in Queens County and one in Kings County offered Saturday hours.

Alma’s alternative delivery systems include services such as telephone, online and

mobile banking, cash management, merchant services, remote deposit capture, and debit card alerts. Additionally, Alma checking account customers have global access to over 55,000 surcharge-free ATMs through the Allpoint network.

The following table provides a summary of Alma’s distribution of branches by county and census tract income level within the assessment area.

Distribution of Branches within the Assessment Area							
County	N/A #	Low #	Moderate #	Middle #	Upper #	Total #	LMI %
*Bronx			1			1	100%
*Kings			3			3	100%
*Queens			1	2	1	4	25%
New York	1					1	0%
<b>Total</b>	<b>1</b>	<b>0</b>	<b>5</b>	<b>2</b>	<b>1</b>	<b>9</b>	<b>56%</b>

*\*Partial County*

### 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.

Bank management and employees are actively involved in the community and with community organizations and in partnership with these organizations provide financial and technical expertise. Involvement with these organizations and interaction with consumers during business operations helps the Bank identify the credit needs of the community.

- 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

Alma’s marketing efforts are mainly for the purposes of promoting brand awareness. The Bank does not target specific individuals or geographies, but uses print media, website advertisements and social media in order to have a broad reach.

Alma continues to be designated a “Preferred Lender” by the SBA. Under the Preferred Lenders program, lenders are given more authority to process, close, service, and liquidate SBA-guaranteed loans.

### **Other factors that in the judgment of the Superintendent bear upon the extent to which Alma is helping to meet the credit needs of its entire community**

During the evaluation period, Alma extended eight additional community development loans totaling \$7.1 million in New York State but outside the Bank’s assessment area. Some of the loans financed affordable housing properties others provided much needed financing to small businesses in the form of PPP loans.

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## **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;
- 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;

- 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.

## **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](http://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.

<b>Income level of individual or geography</b>	<b>% of the area median income</b>
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.

## **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 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 with an amount less than or equal to \$1 million.