



PUBLIC SUMMARY

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION OF DIME COMMUNITY BANK AS OF MARCH 31, 2024

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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DIME COMMUNITY BANK – CRA PERFORMANCE EVALUATION

I - GENERAL INFORMATION

This document is an evaluation (the “Evaluation”) of the Community Reinvestment Act (“CRA”) performance of Dime Community Bank (“Dime” 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 March 31, 2024.

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.

DIME COMMUNITY BANK – CRA PERFORMANCE EVALUATION

II - OVERVIEW OF INSTITUTION'S PERFORMANCE

The Department evaluated Dime according to the large banking institutions performance criteria pursuant to Sections 76.7, 76.8, 76.9 and 76.10 of the GRS. The evaluation period included calendar years 2020, 2021, 2022, and 2023 for lending activities and the period from April 1, 2020, to March 31, 2024 for community development activities. The Department assigned Dime a rating of “2” indicating a “Satisfactory” record of helping to meet community credit needs.

This rating is based on the following factors:

A. Lending Test: High Satisfactory

Dime’s HMDA-reportable and small business lending activities were good considering Dime’s size, business strategy, and financial condition, as well as aggregate and peer group activity and the demographic characteristics and credit needs of its assessment area.

1. Lending Activity:

Dime’s lending levels were excellent considering its size, business strategy and financial condition, as well as the activity of its peer group and the demographic characteristics of its assessment area.

Dime’s average loan-to-deposit (“LTD”) ratio for the evaluation period was 100.6%; well above the peer group’s ratio of 79.1%. The Bank’s quarterly LTD ratios significantly exceeded its peer group’s ratios each quarter of the evaluation period.

2. Assessment Area Concentration:

During the evaluation period, Dime originated 97.4% by number and 97.2% by dollar value of its HMDA-reportable and small business loans within the assessment area, demonstrating an excellent concentration of lending.

3. Geographic Distribution of Loans:

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

The Bank’s average HMDA reportable lending rates in LMI tracts of 24% by number and 36% by dollar value were well above the aggregate’s rates of 18.5% and 21.1% respectively, while the Bank’s average small business lending rates for the evaluation period were 24.8% by number and 24.6% by dollar value, comparable to aggregate levels of 26.2% and 22.3%, respectively.

4. Distribution by Borrower Characteristics:

Dime’s HMDA-reportable and small business lending demonstrated a poor distribution of loans among individuals of different income levels and businesses of different revenue sizes.

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Dime’s average HMDA-reportable lending rates to LMI borrowers of 9.7% by number and 3.9 % by dollar value were well below the aggregate’s rates of 18.3% and 9.7% respectively. Dime’s average small business lending rates of 30% by number and 14.6% by dollar value of loans also trailed the aggregate’s respective rates of 43.8% and 22.9%.

5. Community Development Lending:

During the evaluation period, Dime originated \$848.9 million in new community development loans and had \$203.5 million outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending over the course of the evaluation period.

B. Investment Test: Outstanding

1. Qualified Investments

During the evaluation period, Dime made \$164.9 million in new qualified investments and had \$38.5 million outstanding from prior evaluation periods. In addition, Dime made approximately \$2 million in qualified grants. This demonstrated an excellent level of qualified investments and grants over the course of the evaluation period.

2. Innovativeness of Qualified Investments:

Dime made no use of innovative investments to support community development.

3. Responsiveness of Qualified Investments to Credit and Community Development Needs:

Dime’s qualified investments exhibited excellent responsiveness to the assessment area’s credit and community development needs.

C. Service Test: High Satisfactory

1. Retail Banking Services:

Dime has an adequate branch network, delivery systems, branch hours and services, and alternative delivery systems, including as it relates to LMI individuals.

2. Community Development Services:

Dime provided a relatively high level of community development services.

During the evaluation period bank officers and employees participated in 179 instances of qualified community development 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.

DIME COMMUNITY BANK – CRA PERFORMANCE EVALUATION

III - PERFORMANCE CONTEXT

A. Institution Profile

Dime is a New York State chartered commercial bank headquartered in Hauppauge, New York. The Bank is a wholly owned subsidiary of Dime Community Bancshares, Inc. Dime's subsidiaries include Dime Community Inc., a real estate investment trust and Dime Abstract LLC, a broker of title insurance services.

On February 1, 2021, Dime Community Bancshares Inc., a Delaware corporation completed a merger with Bridge Bancorp Inc. a New York Corporation. Concurrently, their wholly owned subsidiaries Dime Community Bank ("Legacy Dime"), a commercial bank chartered in New York State, merged with BNB Bank ("Legacy BNB"), a trust company also chartered in New York State. While BNB Bank served as the surviving entity, the newly combined institution adopted the name Dime Community Bank. Prior to the merger, both Legacy Dime and Legacy BNB operated branches in Long Island and New York City.

Dime currently operates 59 banking offices, with 22 in New York City and 37 in Nassau and Suffolk counties in New York State. Supplementing the banking offices is an automated teller machine ("ATM") network consisting of 71 ATMs, of which 60 ATMs are located at the Bank's branch offices and 11 ATMs are off-site located throughout Suffolk County. The off-site ATMs are cash-dispensing-only.

Dime offers commercial and consumer banking services, including deposit products, to businesses, consumers, and local municipalities in its assessment area. Other products include merchant credit and debit card processing, cash management services, lockbox processing, online banking services, remote deposit capture, safe deposit boxes, and individual retirement accounts. Lending activities include commercial lending, commercial and personal mortgages, as well as letters of credit.

In its Consolidated Report of Condition (the "Call Report") as of March 31, 2024, filed with the Federal Deposit Insurance Corporation ("FDIC"), Dime reported total assets of \$13.5 billion, of which \$10.7 billion were net loans and lease financing receivables. The Bank also reported total deposits of \$10.9 billion, resulting in an LTD ratio of 97.9%. According to the latest available comparative deposit data as of June 30, 2023, Dime obtained a market share of 0.5%, or \$10.5 billion, in a market of \$2 trillion, ranking it 18th among 110 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 Call Reports:

DIME COMMUNITY BANK – CRA PERFORMANCE EVALUATION

TOTAL GROSS LOANS OUTSTANDING								
Loan Type	12/31/2020		12/31/2021		12/31/2022		12/31/2023	
	\$000's	%	\$000's	%	\$000's	%	\$000's	%
1-4 Family Residential Mortgage Loans	190,900	3.4	669,929	7.2	773,321	8.4	887,881	8.2
Commercial & Industrial Loans	641,533	11.4	930,854	10.1	884,832	9.6	841,911	7.8
Commercial Mortgage Loans	1,878,517	33.4	3,949,678	42.7	4,457,630	48.2	4,630,734	43.0
Multifamily Mortgages	2,759,561	49.0	3,357,044	36.3	4,026,826	43.5	4,017,175	37.3
Consumer Loans	1,136	0.0	16,165	0.2	6,722	0.1	4,176	0.0
Agricultural Loans	0	0.0	418	0.0	0	0.0	0	0.0
Construction Loans	156,301	2.8	322,628	3.5	229,663	2.5	168,513	1.6
Obligations of States & Municipalities	0	0.0	2,705	0.0	2,564	0.0	1,492	0.0
Other Loans	0	0.0	733	0.0	185,273	2.0	225,114	2.1
Total Gross Loans	5,627,948		9,250,154		10,566,831		10,776,996	

As illustrated in the above table, Dime is primarily a commercial lender with 43% and 37.3% of its total gross loan portfolio in commercial mortgage and multifamily mortgage loans, respectively.

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

B. Assessment Area

The Bank's assessment area consists of Bronx, Kings, Nassau, New York, Queens, Richmond, and Suffolk counties.

There are 2,998 census tracts in the assessment area, of which 300 are low-income, 691 are moderate-income, 1,093 are middle-income, 748 are upper-income, and 166 are tracts with no income indicated.

Assessment Area Census Tracts by Income Level							
County	N/A	Low	Mod	Middle	Upper	Total	LMI %
Bronx	21	129	121	65	25	361	69%
Kings	46	91	235	263	170	805	40%
Nassau	9	10	31	146	90	286	14%
New York	23	36	44	32	175	310	26%
Queens	52	26	157	325	165	725	25%
Richmond	7	3	13	42	61	126	13%
Suffolk	8	5	90	220	62	385	25%
Total	166	300	691	1,093	748	2,998	33%

C. Demographic & Economic Data

The assessment area had a population of 11,725,884 during the evaluation period. Approximately 14.9% of the population was over the age of 65 and 22.2% were under the age of 16.

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Of the 2,610,075 families in the assessment area, 27.2% were low-income, 16.5% were moderate-income, 17.8% were middle-income, and 38.5% were upper-income. There were 4,137,325 households in the assessment area, of which 14.7% had income below the poverty level and 4% were on public assistance. The weighted average median family income in the assessment area was \$100,800.

There were 4,569,637 housing units within the assessment area, of which 50.1% were one-to-four family units and 49.6% were multifamily units. A majority (50.8%) of the housing units were rental-occupied, 39.8% were owner-occupied units and 9.4% of housing units were vacant.

Of the total 2,320,304 rental-occupied units, 48.2% were in LMI census tracts while 50.4% were in middle- and upper-income census tracts. The average weighted monthly gross rent was \$1,605.

Of the 1,817,021 owner-occupied housing units, 18.9% were in LMI census tracts while 80.5% were in middle- and upper-income census tracts. The median age of the housing stock was 74 years, and the weighted average median home value in the assessment area was \$643,676.

There were 1,972,048 non-farm businesses in the assessment area. Of these, 93.5% were businesses with reported revenues of less than or equal to \$1 million, 2.5% reported revenues of more than \$1 million and 4% did not report their revenues. Of all the businesses in the assessment area, 98.1% were businesses with fewer than fifty employees while 96.2% operated from a single location. The largest industries in the area were services (32.1%), followed by retail trade (10.4%), and finance, insurance, and real estate (10.4%); 33% of businesses in the assessment area were not classified.

A review of New York State Department of Labor unemployment data showed that the annual average unemployment rates for New York State and all the counties in the assessment area consistently declined during the evaluation period. The high unemployment rates in 2020 statewide and in the counties in the Dime’s assessment area were due to the onset of the COVID-19 pandemic. As the pandemic ebbed, the annual unemployment rates across New York State and in Dime’s assessment area steadily declined to almost pre-pandemic levels by the end of 2023. Of the counties in Dime’s assessment area, Bronx County consistently had the highest annual average unemployment rates while Nassau County consistently had the lowest annual average unemployment rates during the evaluation period.

Assessment Area Unemployment Rate								
	Statewide	Bronx	Kings	Nassau	New York	Queens	Richmond	Suffolk
2020	9.8	16.0	12.5	8.0	9.5	12.4	10.5	8.1
2021	7.1	13.9	10.4	4.5	7.8	9.9	9.0	4.6
2022	4.3	7.9	5.9	2.9	4.6	5.3	5.6	3.2
2023	4.2	6.8	5.5	3.1	4.6	4.6	4.9	3.4
Average	6.4	11.2	8.6	4.6	6.6	8.1	7.5	4.8

D. Community Information

DFS examiners conducted community contact interviews with representatives from two community development organizations to help identify community credit needs within the Bank's assessment area.

The first interview was with the representative of a community development corporation that serves primarily lower income neighborhoods in Central Brooklyn, New York, and offers programs that include housing and homeownership assistance, job training, health and mental health services. The representative stated that banks should offer their loan products with more favorable terms and flexible repayment plans, as well as provide financial education for small business owners and first-time homebuyers. Furthermore, banks should perform more community outreach to ascertain community needs and help community development organizations achieve their mission by participating and supporting programs offered by these organizations such as job training, financial literacy for first time-homebuyers and financial education for small business owners, entrepreneurs, and those looking to start their own business.

The second interview was conducted with a community development financial institution which aims to provide construction, predevelopment, and permanent financing for the development of affordable housing in those areas of Nassau and Suffolk counties where poverty rates are at least 20%. The organization also offers various programs that include mortgage and foreclosure counseling, first-time homebuyer education and programs to help businesses recruit and retain employees. The representative stated that banks need to ensure that consumers are aware of the various lending products they offer for homebuyers as increasing interest rates and high loan costs have made homebuying less affordable for all people, but especially for LMI borrowers. They need affordable home purchase loan programs that help with closing costs and downpayment or provide grants for principal reduction such as those offered through the State of New York Mortgage Agency and the Federal Home Loan Bank. Furthermore, existing LMI homeowners need affordable home equity and home improvement loan programs.

DIME COMMUNITY BANK – CRA PERFORMANCE EVALUATION

IV - PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

The Department evaluated Dime under the large banking institutions performance criteria in accordance with Sections 76.7, 76.8, 76.9 and 76.10 of the GRS, which consist of the lending, investment, and service tests. 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. 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.

Finally, the Evaluation considered other factors as delineated in Section 28-b of the New York Banking Law that reasonably bear upon the extent to which Dime helps to meet the credit needs of its entire community.

DFS derived statistics employed in this Evaluation from various sources. Dime 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 lending activities and the period from April 1, 2020, to March 31, 2024 for community development activities.

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

HMDA-reportable and small business loan data evaluated in this Evaluation represented actual originations and from purchases that mainly occurred in 2020.

In its prior Community Reinvestment Act Performance Evaluation as of March 31, 2020, DFS assigned Dime a rating of "2" or "Satisfactory."

Current CRA Rating: Satisfactory

DIME COMMUNITY BANK – CRA PERFORMANCE EVALUATION

A. Lending Test: High Satisfactory

The Bank’s lending performance was evaluated pursuant to the following criteria:

- (1) Lending Activity;*
- (2) Assessment Area Concentration;*
- (3) Geographic Distribution of Loans;*
- (4) Borrower Characteristics;*
- (5) Community Development Lending; and*
- (6) Flexible and/or Innovative Lending Practices.*

Dime’s HMDA-reportable and small business lending activities were good in light of Dime’s size, business strategy, and financial condition, as well as aggregate and peer group activity and the demographic characteristics and credit needs of its assessment area. Dime’s excellent level of community development lending for affordable housing purposes, demonstrates the Bank’s commitment to meeting its community’s credit needs.

1. Lending Activity:

Dime’s lending levels were excellent considering its size, business strategy, and financial condition, as well as the activity of its peer group and the demographic characteristics of its assessment area.

During the evaluation period, Dime’s average LTD ratio was 100.6%, well above the peer group’s ratio of 79.1%. Furthermore, the Bank’s quarterly LTD ratios exceeded its peer group’s LTD ratios for each quarter of the evaluation period, reaching a high of 120.4% for the 4th quarter of 2020 and falling to a low of 85.1% for the 2nd quarter of 2021.

The Bank’s quarterly LTD ratios sharply declined during the first quarter of 2021, which was attributed to the COVID pandemic. However, by the end of 2022 the Bank’s LTD ratios again exceeded 100%.

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

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	116.6	116.5	120.0	120.4	95.6	85.1	85.9	87.4	88.0	90.6	95.5	102.0	100.6	102.5	101.0	101.4	100.6
Peer	87.9	85.1	84.7	81.1	75.3	73.2	70.9	70.8	72.0	75.3	78.0	80.5	83.1	83.0	82.4	82.0	79.1

2. Assessment Area Concentration:

During the evaluation period, Dime originated 97.4% by number and 97.2% by dollar value of its total HMDA-reportable and small business loans within the assessment area, demonstrating an excellent concentration of lending.

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a. HMDA-Reportable Loans:

Dime originated 91.2% by number and 96.6% by dollar value of its HMDA-reportable loans within the assessment area. This substantial majority of lending inside of its assessment area reflects an excellent concentration of lending.

b. Small Business Loans:

Dime originated 98.2%, both by number and by dollar value, of its small business loans within the assessment area during the evaluation period. This substantial majority of lending inside of its assessment area reflects an excellent concentration of lending.

The following table shows the percentages of Dime’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	78	98.7%	1	1.3%	79	202,540	99.4%	1,230	0.6%	203,770
2021	294	93.3%	21	6.7%	315	690,238	97.9%	14,933	2.1%	705,171
2022	382	92.5%	31	7.5%	413	1,309,678	96.7%	44,874	3.3%	1,354,552
2023	248	84.9%	44	15.1%	292	396,530	92.9%	30,132	7.1%	426,662
Subtotal	1,002	91.2%	97	8.8%	1,099	2,598,986	96.6%	91,169	3.4%	2,690,155
Small Business										
2020	4,501	98.8%	54	1.2%	4,555	726,632	98.8%	9,094	1.2%	735,726
2021	3,067	97.7%	72	2.3%	3,139	566,320	97.8%	12,743	2.2%	579,063
2022	561	96.2%	22	3.8%	583	196,633	97.8%	4,507	2.2%	201,140
2023	348	97.5%	9	2.5%	357	163,101	97.7%	3,900	2.3%	167,001
Subtotal	8,477	98.2%	157	1.8%	8,634	1,652,686	98.2%	30,244	1.8%	1,682,930
Grand Total	9,479	97.4%	254	2.6%	9,733	4,251,672	97.2%	121,413	2.8%	4,373,085

3. Geographic Distribution of Loans:

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

a. HMDA-Reportable Loans:

The distribution of Dime’s HMDA-reportable loans by the income level of the geography was excellent.

During the evaluation period, Dime’s average HMDA-reportable lending rates in LMI census tracts of 24% by number and 36% by dollar value of loans, were well above the aggregate’s lending rates of 18.5% and 21.1%, respectively. Furthermore, the Bank’s annual lending rates in LMI census tracts exceeded the aggregate’s lending rates for all years of the evaluation period except for 2023.

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The Bank’s annual lending rates by number and dollar value in LMI census tracts also exceeded the percentage of owner-occupied housing located in LMI census tracts within the Bank’s assessment area for each year, except by number of loans in 2023.

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

Distribution of HMDA-Reportable Lending by Geographic Income of the Census Tract									
2020									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	6	7.7%	16,881	8.3%	4,728	2.8%	5,091,320	4.7%	2.7%
Moderate	28	35.9%	64,520	31.9%	24,023	14.3%	16,104,545	14.8%	16.1%
LMI	34	43.6%	81,401	40.2%	28,751	17.1%	21,195,865	19.5%	18.8%
Middle	25	32.1%	52,764	26.1%	79,994	47.5%	37,098,010	34.2%	46.5%
Upper	19	24.4%	68,375	33.8%	59,604	35.4%	50,027,720	46.1%	34.6%
Unknown	0	0.0%	0	0.0%	230	0.1%	234,960	0.2%	0.2%
Total	78		202,540		168,579		108,556,555		
2021									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	12	4.1%	53,973	7.8%	6,428	3.1%	6,983,960	5.2%	2.7%
Moderate	60	20.4%	203,986	29.6%	32,166	15.5%	22,325,400	16.5%	16.1%
LMI	72	24.5%	257,959	37.4%	38,594	18.6%	29,309,360	21.6%	18.8%
Middle	104	35.4%	165,452	24.0%	94,116	45.4%	46,163,730	34.1%	46.5%
Upper	118	40.1%	266,828	38.7%	74,274	35.8%	59,782,610	44.1%	34.6%
Unknown	0	0.0%	0	0.0%	289	0.1%	169,045	0.1%	0.2%
Total	294		690,239		207,273		135,424,745		
2022									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	21	5.5%	113,930	8.7%	3,914	3.2%	4,895,230	4.9%	2.7%
Moderate	79	20.7%	395,381	30.2%	20,323	16.5%	16,349,745	16.3%	17.0%
LMI	100	26.2%	509,311	38.9%	24,237	19.7%	21,244,975	21.2%	19.7%
Middle	114	29.8%	277,745	21.2%	54,756	44.5%	30,969,570	30.9%	46.9%
Upper	159	41.6%	495,903	37.9%	43,176	35.1%	46,815,720	46.8%	32.7%
Unknown	9	2.4%	26,720	2.0%	980	0.8%	1,092,210	1.1%	0.6%
Total	382		1,309,679		123,149		100,122,475		
2023									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	8	3.2%	64,585	16.3%	2,223	2.9%	3,337,025	6.4%	2.6%
Moderate	26	10.5%	21,802	5.5%	12,660	16.6%	8,682,550	16.5%	16.3%
LMI	34	13.7%	86,387	21.8%	14,883	19.5%	12,019,575	22.9%	18.9%
Middle	75	30.2%	109,559	27.6%	35,370	46.4%	17,938,780	34.1%	46.0%
Upper	135	54.4%	138,643	35.0%	25,512	33.5%	22,120,530	42.1%	34.6%
Unknown	4	1.6%	61,941	15.6%	487	0.6%	453,685	0.9%	0.6%
Total	248		396,530		76,252		52,532,570		
GRAND TOTAL									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	47	4.7%	249,369	9.6%	17,293	3.0%	20,307,535	5.1%	
Moderate	193	19.3%	685,689	26.4%	89,172	15.5%	63,462,240	16.0%	
LMI	240	24.0%	935,058	36.0%	106,465	18.5%	83,769,775	21.1%	
Middle	318	31.7%	605,520	23.3%	264,236	45.9%	132,170,090	33.3%	
Upper	431	43.0%	969,749	37.3%	202,566	35.2%	178,746,580	45.1%	
Unknown	13	1.3%	88,661	3.4%	1,986	0.3%	1,949,900	0.5%	
Total	1,002		2,598,988		575,253		396,636,345		

DIME COMMUNITY BANK – CRA PERFORMANCE EVALUATION

b. Small Business Loans:

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

Dime’s average small business lending rate in LMI census tracts of 24.8% by number of loans for the evaluation period was comparable to the aggregate’s average lending rate of 26.2%, while Dime’s average lending rate by dollar value of 24.6% exceeded the aggregate’s lending rate of 22.3%. Dime’s annual lending rates in LMI census tracts by number of loans trailed the aggregate’s rates in 2020 and 2021 but exceeded the aggregate’s rate in 2022 and 2023, while by dollar value of loans, Dime’s annual lending rate exceeded the aggregate’s rate for each year of the evaluation period, except for 2023.

Dime’s annual small business lending rates in LMI census tracts were comparable with the annual percentages of small businesses located in LMI census tracts within the Bank’s assessment area.

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

DIME COMMUNITY 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	78	1.7%	13,031	1.8%	25,050	6.6%	986,756	5.1%	6.8%
Moderate	1,011	22.5%	163,761	22.5%	68,697	18.0%	2,904,779	15.1%	19.0%
LMI	1,089	24.2%	176,792	24.3%	93,747	24.6%	3,891,535	20.2%	25.8%
Middle	2,296	51.0%	368,710	50.7%	121,240	31.8%	5,541,895	28.8%	31.3%
Upper	1,094	24.3%	176,425	24.3%	158,450	41.6%	9,068,325	47.2%	40.9%
Unknown	22	0.5%	4,705	0.6%	7,752	2.0%	726,284	3.8%	2.1%
Total	4,501		726,632		381,189		19,228,039		
2021									
Geographic	Bank				Aggregate				Bus.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	92	3.0%	14,056	2.5%	30,945	7.1%	891,092	5.6%	7.4%
Moderate	678	22.1%	129,516	22.9%	87,180	19.9%	2,621,949	16.4%	20.0%
LMI	770	25.1%	143,572	25.4%	118,125	26.9%	3,513,041	22.0%	27.4%
Middle	1,436	46.8%	269,128	47.5%	144,117	32.9%	4,694,322	29.3%	31.8%
Upper	836	27.3%	148,052	26.1%	168,157	38.3%	7,222,673	45.1%	39.0%
Unknown	25	0.8%	5,568	1.0%	8,260	1.9%	571,013	3.6%	1.8%
Total	3,067		566,320		438,659		16,001,049		
2022									
Geographic	Bank				Aggregate				Bus.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	43	7.7%	14,938	7.6%	27,498	7.1%	679,428	6.8%	7.6%
Moderate	109	19.4%	33,389	17.0%	74,272	19.1%	1,748,079	17.6%	18.9%
LMI	152	27.1%	48,327	24.6%	101,770	26.1%	2,427,507	24.5%	26.5%
Middle	289	51.5%	103,490	52.6%	132,601	34.0%	3,046,333	30.7%	32.7%
Upper	106	18.9%	40,161	20.4%	140,845	36.2%	3,873,848	39.0%	37.1%
Unknown	14	2.5%	4,655	2.4%	14,259	3.7%	572,787	5.8%	3.7%
Total	561		196,633		389,475		9,920,475		
2023									
Geographic	Bank				Aggregate				Bus.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	10	2.9%	5,264	3.2%	30,686	7.6%	671,868	7.0%	7.5%
Moderate	84	24.1%	33,049	20.3%	78,268	19.3%	1,686,584	17.7%	18.6%
LMI	94	27.0%	38,313	23.5%	108,954	26.8%	2,358,452	24.7%	26.1%
Middle	179	51.4%	83,890	51.4%	137,134	33.8%	2,954,130	31.0%	32.7%
Upper	65	18.7%	35,098	21.5%	146,872	36.2%	3,693,638	38.7%	37.5%
Unknown	10	2.9%	5,800	3.6%	13,226	3.3%	527,015	5.5%	3.6%
Total	348		163,101		406,186		9,533,235		
GRAND TOTAL									
Geographic	Bank				Aggregate				Bus.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	223	2.6%	47,289	2.9%	114,179	7.1%	3,229,144	5.9%	
Moderate	1,882	22.2%	359,715	21.8%	308,417	19.1%	8,961,391	16.4%	
LMI	2,105	24.8%	407,004	24.6%	422,596	26.2%	12,190,535	22.3%	
Middle	4,200	49.5%	825,218	49.9%	535,092	33.1%	16,236,680	29.7%	
Upper	2,101	24.8%	399,736	24.2%	614,324	38.0%	23,858,484	43.6%	
Unknown	71	0.8%	20,728	1.3%	43,497	2.7%	2,397,099	4.4%	
Total	8,477		1,652,686		1,615,509		54,682,798		

DIME COMMUNITY BANK – CRA PERFORMANCE EVALUATION

4. Distribution by Borrower Characteristics:

Dime's one-to-four family HMDA-reportable and small business lending demonstrated a poor distribution of loans among individuals of different income levels and businesses of different revenue sizes.

a. One-to-four Family HMDA-Reportable Loans:

Dime's one-to-four family HMDA-reportable lending demonstrated a poor distribution of loans among individuals of different income levels.

Dime's average rates of lending to LMI borrowers during the evaluation period were 9.7% by number and 3.9% by dollar value, which were well below the aggregate's respective rates of 18.3% and 9.6%. Furthermore, Dime's annual rates of lending to LMI borrowers also trailed the aggregate's annual rates of lending for each year of the evaluation period.

Both the Bank's and the aggregate's annual rates of lending to LMI borrowers trailed the annual percentage of LMI families living in the Bank's assessment area for each year of the evaluation period.

The following table provides a summary of the distribution of Dime's one-to-four family loans by borrower income.

DIME COMMUNITY BANK – CRA PERFORMANCE EVALUATION

Distribution of One-to-Four Family Loans by Borrower Income									
2020									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	1	2.6%	252	1.0%	5,021	3.0%	1,268,455	1.5%	29.8%
Moderate	4	10.5%	1,542	6.1%	22,853	13.8%	6,850,015	7.9%	16.8%
LMI	5	13.2%	1,794	7.1%	27,874	16.9%	8,118,470	9.4%	46.6%
Middle	2	5.3%	856	3.4%	39,442	23.9%	14,129,820	16.4%	17.5%
Upper	18	47.4%	15,147	59.6%	87,747	53.1%	55,313,965	64.1%	35.9%
Unknown	13	34.2%	7,607	29.9%	10,219	6.2%	8,679,695	10.1%	0.0%
Total	38		25,404		165,282		86,241,950		
2021									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	7	3.6%	1,565	1.3%	6,925	3.4%	1,891,745	1.7%	29.8%
Moderate	19	9.8%	4,647	3.8%	29,316	14.4%	9,166,640	8.1%	16.8%
LMI	26	13.4%	6,212	5.1%	36,241	17.8%	11,058,385	9.8%	46.6%
Middle	33	17.0%	11,804	9.7%	49,076	24.1%	18,536,150	16.4%	17.5%
Upper	109	56.2%	79,684	65.1%	106,070	52.1%	72,569,150	64.3%	35.9%
Unknown	26	13.4%	24,613	20.1%	12,034	5.9%	10,629,640	9.4%	0.0%
Total	194		122,313		203,421		112,793,325		
2022									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	6	3.0%	927	0.6%	5,780	4.9%	1,476,660	2.0%	27.7%
Moderate	13	6.5%	4,294	3.0%	19,193	16.1%	5,999,345	8.0%	16.6%
LMI	19	9.5%	5,221	3.6%	24,973	21.0%	7,476,005	10.0%	44.3%
Middle	21	10.5%	7,970	5.6%	27,737	23.3%	10,700,705	14.3%	17.8%
Upper	132	66.0%	99,452	69.3%	58,280	48.9%	47,118,530	63.1%	37.9%
Unknown	28	14.0%	30,918	21.5%	8,135	6.8%	9,425,615	12.6%	0.0%
Total	200		143,561		119,125		74,720,855		
2023									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	3	1.4%	549	0.4%	3,276	4.4%	680,780	1.7%	27.2%
Moderate	10	4.6%	2,882	2.1%	10,656	14.3%	2,939,060	7.2%	16.5%
LMI	13	6.0%	3,431	2.6%	13,932	18.7%	3,619,840	8.9%	43.7%
Middle	23	10.6%	9,882	7.3%	17,486	23.5%	6,304,160	15.4%	17.8%
Upper	159	73.6%	109,765	81.6%	36,315	48.7%	25,250,955	61.9%	38.5%
Unknown	21	9.7%	11,383	8.5%	6,826	9.2%	5,643,320	13.8%	0.0%
Total	216		134,461		74,559		40,818,275		
GRAND TOTAL									
Borrower	Bank				Aggregate				Fam.Dem.
Income	#	%	\$000's	%	#	%	\$000's	%	%
Low	17	2.6%	3,293	0.8%	21,002	3.7%	5,317,640	1.7%	
Moderate	46	7.1%	13,365	3.1%	82,018	14.6%	24,955,060	7.9%	
LMI	63	9.7%	16,658	3.9%	103,020	18.3%	30,272,700	9.6%	
Middle	79	12.2%	30,512	7.2%	133,741	23.8%	49,670,835	15.8%	
Upper	418	64.5%	304,048	71.4%	288,412	51.3%	200,252,600	63.7%	
Unknown	88	13.6%	74,521	17.5%	37,214	6.6%	34,378,270	10.9%	
Total	648		425,739		562,387		314,574,405		

DIME COMMUNITY BANK – CRA PERFORMANCE EVALUATION

b. Small Business Loans:

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

Dime participated in the U.S. Small Business Administration’s Paycheck Protection Program (“PPP”) implemented in 2020 and offered until early 2021 to support small business impacted by the COVID-19 pandemic. In 2020, the Bank originated 3887 PPP loans, followed by 2467 PPP loans in 2021 within its assessment area. As the program did not require banks to collect and maintain revenue information to approve these loans and Dime did not collect and maintain revenue information on loans approved through the PPP loan program, the Department excluded these loans from the below table and the analysis of this criterion to not skew the analysis.

Dime’s average rates of lending to small businesses with gross annual revenue of \$1 million or less were 30% by number and 14.6% by dollar value of loans, trailing the aggregate’s respective rates of 43.8% and 22.9%. Furthermore, Dime’s annual lending rates by number of loans and dollar value trailed the aggregate’s rates in 2020, 2022 and 2023, but exceeded the aggregate’s rates in 2021.

Both the Bank’s and the aggregate’s annual lending rates to small businesses with revenue of \$1 million or less trailed the annual percentage of small businesses with revenue of \$1 million or less located in the Bank’s assessment area.

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

DIME COMMUNITY BANK – CRA PERFORMANCE EVALUATION

Distribution of Small Business Lending by Revenue Size of Business									
2020									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	157	25.3%	27,695	13.0%	134,325	35.2%	3,424,180	17.8%	90.7%
Rev. > \$1MM	434	70.0%	181,590	85.0%					4.4%
Rev. Unknown	29	4.7%	4,250	2.0%					4.9%
Total	620		213,535		381,189		19,228,039		
2021									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	251	41.7%	44,057	22.3%	165,188	37.7%	2,895,277	18.1%	91.3%
Rev. > \$1MM	340	56.5%	146,510	74.2%					3.5%
Rev. Unknown	11	1.8%	6,778	3.4%					5.2%
Total	602		197,345		438,659		16,001,049		
2022									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	181	32.3%	31,511	16.0%	190,176	48.8%	3,075,051	31.0%	91.7%
Rev. > \$1MM	350	62.4%	147,911	75.2%					3.2%
Rev. Unknown	30	5.3%	17,211	8.8%					5.1%
Total	561		196,633		389,475		9,920,475		
2023									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	51	14.7%	9,569	5.9%	218,354	53.8%	3,148,247	33.0%	93.5%
Rev. > \$1MM	266	76.4%	132,344	81.1%					2.5%
Rev. Unknown	31	8.9%	21,188	13.0%					4.0%
Total	348		163,101		406,186		9,533,235		
GRAND TOTAL									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	
Rev. <= \$1MM	640	30.0%	112,832	14.6%	708,043	43.8%	12,542,755	22.9%	
Rev. > \$1MM	1,390	65.2%	608,355	78.9%					
Rev. Unknown	101	4.7%	49,427	6.4%					
Total	2,131		770,614		1,615,509		54,682,798		

5. Community Development Lending:

During the evaluation period, Dime originated \$848.9 million in new community development loans and had \$203.5 million outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending over the course of the evaluation period.

Dime's new community development loans were extended for the community development purpose of affordable housing, economic development, community services and revitalization/stabilization efforts.

DIME COMMUNITY BANK – CRA PERFORMANCE EVALUATION

Community Development Loans				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
Purpose	# of Loans	\$000	# of Loans	\$000
Affordable Housing	100	440,474	44	157,428
Economic Development	43	118,231	8	5,724
Community Services	18	95,492	5	9,462
Revitalization/Stabilization	74	194,653	12	30,933
Total	235	848,850	69	203,547

Below are highlights of Dime’s community development lending.

Affordable Housing

- Dime originated a \$10 million commercial mortgage to purchase two six-story elevator-serviced, mixed-use apartment buildings in a low-income census tract in Bronx County. Ninety five percent of the 126 rental units have market rents below the U.S. Department of Housing and Urban Development’s (“HUD”) fair market rents thereby providing affordable housing. Additionally, the six ground level retail units provided jobs for low- and moderate-income individuals and supported revitalization and stabilization efforts in the area.
- Dime refinanced an existing \$6.7 million first mortgage loan secured by a six-story elevator residential building in Bronx County. The building contains 74 residential apartments, of which 100% had rents below the HUD fair market rents, thus qualifying as affordable housing.
- Dime refinanced a \$28 million commercial mortgage loan secured by a 17-story hotel building with 94 rooms. The hotel is currently leased to nonprofit organization Vocational Instruction Project Community Services, Inc, a not-for-profit organization that temporary housing for the homeless.

Economic Development

- Dime participated in a \$11.4 million commercial mortgage loan with another lender. Dime’s portion of the loan is \$5.8 million. The loan is to fund the acquisition of a 10,000 square foot one-story industrial building located in a low-income census tract in Kings County. The borrower is a transportation company and the loan will allow for expansion of the company’s fleet, which predominantly serves the five boroughs of New York City. This loan qualifies under economic development.
- In addition to originating PPP loans in the amount of \$1 million or less, which were evaluated under the lending test, the Bank also originated 63 PPP loans in amounts greater than \$1 million and totaling \$117.1 million. These loans helped small businesses impacted by the COVID-19 pandemic located in moderate-income census tracts thus stabilizing and revitalizing these areas where the businesses are located.

DIME COMMUNITY BANK – CRA PERFORMANCE EVALUATION

Community Service

- Dime originated a \$2 million commercial mortgage loan to a non-profit organization to purchase property which will be owner-occupied and is in a moderate-income census tract in Suffolk County, New York. The organization offers community services to low-income individuals and families to help them meet their basic needs such as nutrition, clothing, employment and education and programs that include early childhood literacy, English as a Second Language and computer classes.
- Dime renewed a \$3 million line of credit to support the working capital needs of a nonprofit organization that operates in a moderate-income tract and adjacent to three other LMI census tracts on Long Island, New York. The organization is dedicated to improving lives across New York with community services and programs that foster nutrition, food safety and security, and educational programs to foster youth development.

Revitalization and Stabilization

- Originated a \$18.3 million commercial mortgage loan to a charter school located in Queens County, New York. The property is in a moderate-income census tract and approximately 83% of students qualified for the federal free or reduced-price lunch program.
 - a. Flexible and/or Innovative Lending Practices:

Dime made significant use of flexible or innovative lending practices.

The following flexible and/or innovative lending products were offered by the Bank during the evaluation period:

- Dime Residential Lending Affordable Housing Program (“AHP”)
This program offers adjustable-rate mortgage loans or 30-year fixed mortgage subject to income limits and is available for owner occupied properties and first-time homeowners only. During the evaluation period, Dime originated 12 loans under the AHP totaling \$5.4 million in 2023 and 2024.
- Dime Lender Credit for LMI Borrowers
Dime provided up to \$5,500 lender credit at closing, to borrowers of loans made through the State of New York Mortgage Agency (“SONYMA”) and Federal National Mortgage Association (“Fannie Mae”) HomeReady loan programs. During the evaluation period, Dime provided lender credit of \$43,000 for eight mortgage loans originated through the two programs.
- Fannie Mae “HomeReady” Mortgage Program
This loan program offers a down payment as low as 3% and is available to first-time or repeat homebuyers. During the evaluation period, Dime originated ten mortgages totaling \$2.2 million under this program.

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- Federal Home Loan Bank of New York “Homebuyer Dream Program” (“HDP”)
The HDP provides funds in the form of a grant to be used towards down payment and closing cost assistance to first-time homebuyers earning at or below 80% of the Area Median Income (“AMI”) and purchasing homes in New York. During the evaluation period, the Bank made 15 grants totaling \$140,000 under the HDP program.
- SONYMA Mortgage Programs
The “Achieve the Dream” mortgage program offers up to 97% financing. SONYMA also offers the “Low Interest Rate” loan program offers no points and competitive interest rates. During the evaluation period, Dime originated 20 mortgages totaling \$4 million through these programs.
- The US Small Business Administration (“SBA”) 504 Loan Program
The 504 loan program provides long-term, fixed rate financing for major fixed assets that promote business growth and job creation. During the evaluation period, Dime originated 60 SBA 504 loans totaling \$116.4 million.
- SBA 7(a) Program
This loan program provides loan guaranties to lenders that allow them to provide financial help for small businesses with special requirements. During the evaluation period, Dime originated 147 loans totaling \$173.5 million.
- SBA PPP
This program was created to help small businesses affected by the COVID-19 pandemic to retain employees and pay fixed costs. The loans originated through the program were forgivable. The program was available from March 2020 to May 31, 2021. Dime originated a total of 6,875 PPP loans totaling \$1.4 billion within and outside its assessment area.

B. Investment Test: Outstanding

The Department evaluated Dime’s investment performance pursuant to the following criteria:

- (1) The dollar amount of qualified investments;*
- (2) The innovativeness or complexity of qualified investments; and*
- (3) The responsiveness of qualified investments to the credit and community development needs of the assessment area.*

1. Qualified Investments

During this evaluation period, Dime made \$164.9 million in new qualified investments and had \$38.5 million outstanding from prior evaluation periods. In addition, Dime made \$2 million in qualified grants. This demonstrated an excellent level of qualified investments and grants over the course of the evaluation period.

All of Dime’s new qualified investments made during the evaluation period supported affordable housing, while Dime’s grants supported affordable housing, economic development and community service.

DIME COMMUNITY BANK – CRA PERFORMANCE EVALUATION

Qualified Investments and Grants				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
CD Investments	# of Inv.	\$000	# of Inv.	\$000
Affordable Housing	42	\$ 164,915	20	\$ 38,537
Economic Development				
Community Services				
Revitalization/Stablization				
Total	42	\$ 164,915	20	\$ 38,537
CD Grants	# of	\$000	<i>Not Applicable</i>	
Affordable Housing	63	\$ 716		
Economic Development	28	\$ 405		
Community Services	77	\$ 843		
Revitalization/Stabilization				
Total	168	\$ 1,964		

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

Qualified Investments

- Dime invested \$82 million on mortgage-backed securities (“MBS”) issued by Government National Mortgage Association (“Ginnie Mae”) and Fannie Mae. These securities qualify under affordable housing since they are collateralized by a pool of one-to-four family mortgage loans made to LMI borrowers.
- In 2020, Dime invested \$3.1 million in two housing development corporation bonds that will fund affordable housing multifamily mortgage loans that will provide LMI residents of New York with affordable rental housing.
- Dime invested \$3 million in a Community Development Financial Institution (“CDFI”) with branches in New York City and Nassau County, New York. The CDFI will use the funds to make affordable mortgage loans to LMI borrowers.

Community Development Grants

- Dime donated \$175,000 to a local public library located in New York City, which will use these funds to further economic development by awarding seed capital funding grants through its small business program. Recipients of the grants are first time start-up entrepreneurs.
- Dime made a grant of \$103,000 to an organization that seeks to transform lives of LMI people through employment, education, housing, and healthcare. The organization focuses on community services that further these objectives.

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- Dime donated \$75,000 to a community service nonprofit organization which provides early childcare and education, family childcare network, and youth development programs for LMI children.
- Dime gave \$60,000 to a nonprofit collaboration of financial institutions and community housing agencies. This collaboration is focused on expanding affordable housing and the opportunity for responsible and sustainable homeownership to LMI individuals and families in New York City and surrounding counties.

2. Innovativeness of Qualified Investments:

Dime made no use of innovative investments to support community development.

While the majority of Dime's investments, which were pools of mortgage-backed securities, supported affordable housing and addressing a need in the Bank's assessment area, mortgage-backed securities are not considered innovative.

3. Responsiveness of Qualified Investments to Credit and Community Development Needs:

Dime's qualified investments exhibited excellent responsiveness to the assessment area's credit and community development needs.

C. Service Test: High Satisfactory

The Department evaluated Dime's retail service performance pursuant to the following criteria:

- (1) The current distribution of the banking institution's branches;
- (2) The institution's record of opening and closing branches;
- (3) The availability and effectiveness of alternative systems for delivering retail services; and
- (4) The range of services provided.

The Department evaluated Dime's community development service performance pursuant to the following criteria:

- (1) The extent to which the banking institution provides community development services; and
- (2) The innovativeness and responsiveness of community development services.

1. Retail Banking Services:

Dime has a good branch network, delivery systems, branch hours and services, and alternative delivery systems, including as it relates to LMI individuals.

a. Current distribution of the banking institution's branches:

Dime Bank has a good distribution of branches within its assessment area.

Dime operates a total of 59 banking offices in its assessment area, including two limited-service branches and the remaining 57 are full-service branches. As of the evaluation, 13 or 22% of Dime's

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branch offices are located in LMI census tracts of which nine are located in Suffolk County. At least another ten branches located in Kings, Nassau and Suffolk Counties are adjacent to LMI census tracts. Branch hours vary but generally are from 8:30 am to 4:00pm, the majority of branches offer late hours once per week until 5:00 pm or 6:00 pm. Many branches also offer Saturday hours form 9:00 am to 1:00 pm. The Bank also has two loan production offices, one each located in New York County and Suffolk County.

Distribution of Branches within the Assessment Area							
	N/A #	Low #	Moderate #	Middle #	Upper #	Total #	LMI %
Bronx	0	0	0	1	0	1	0%
Kings	0	1	0	3	4	8	13%
Nassau	0	0	1	6	5	12	8%
New York	1	0	0	0	1	2	0%
Queens	0	0	2	5	2	9	22%
Richmond	0	0	0	0	1	1	0%
Suffolk	0	0	9	14	3	26	35%
Total	1	1	12	29	16	59	22%

b. Record of opening and closing branches:

Dime’s record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly to LMI geographies and/or LMI individuals.

During the evaluation period, numerous branch consolidations were affected mainly due to the merger of the two banks.

- In February 2021, the Bank opened a branch in an upper-income census tract in New York County.
- In April 2021, a branch in an upper-income census tract was consolidated into a branch in an upper-income census tract, both in Nassau County.
- In April 2021, a branch in a middle-income census tract was consolidated into a branch in a middle-income census tract, both in Suffolk County.
- In October of 2021, a branch in a middle-income census tract was consolidated into a branch in a middle-income census tract, both in Suffolk County.
- In October 2021, a branch in a low-income census tract was consolidated into a branch in an adjacent moderate-income census tract in Kings County. An additional two branches, both serving upper income census tracts were consolidated into and with another branch serving a low-moderate income tract in Kings County.
- In September 2022, a branch located in a low-income census tract was consolidated into a branch in an upper income census tract. Both branches were located in Kings County.
- In June of 2023, the Bank opened a branch in an upper-income census tract in Richmond County.
- In August of 2023, the Bank relocated a branch in a middle-income census tract in Bronx County to the building next door.

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c. Availability and effectiveness of alternative systems for delivering retail services:

Dime’s delivery systems are readily accessible to significant portions of the bank’s assessment area, including LMI geographies and individuals.

The Bank offers alternative delivery systems that provide additional access to banking services for both retail and business customers. These alternative delivery systems include online banking, mobile banking, telephone banking, remote deposit capture and ATMs. The Bank has 60 ATMs located at branch offices, 55 are full-service ATMs with deposit taking capability and five are cash dispensing only. All ATMs are accessible 24 hours seven days a week, except for one cash dispensing only ATM, which is accessible during branch hours. Of these ATMs 14 are at branch offices located in LMI census tracts. In addition, the Bank operates 11 off-site ATMs in Suffolk County, of which three ATMs are in moderate-income census tracts.

d. Range of services provided:

Dime’s services meet the convenience and accessibility needs of its assessment area, including LMI geographies and individuals.

Dime offers various deposit and lending products, for retail and business consumers. Deposit products include checking, savings and money market accounts, certificates of deposit, and retirement accounts. Lending products include residential mortgage, home equity, lines of credit, and commercial mortgage loans. Dime’s range of services also include debit and credit cards, merchant service/lockbox, wire transfer, and safe deposit boxes.

2. Community Development Services:

Dime provided a relatively high level of community development services.

Community Development Services	
Activity Type	Number of Activities
On-Going Board & Committee Memberships	0
Technical Assistance	41
Seminars	16
Credit Counseling	0
Financial Literacy	122
Total Community Development Services	179

Below are highlights of Dime’s community development services.

- The Director of CRA and Fair Lending participated in a seminar for first-time home buyers hosted by a nonprofit organization whose mission includes the need for affordable housing and economic needs for low-income New Yorkers. The organization advocates for housing and economic justice and provides individuals with tools, opportunities and programs that allow them to shape their own futures.

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- The Director along with other employees also participates in financial education seminars in coordination with a nonprofit organization that creates and preserves affordable housing through homeownership education, financial literacy, and community leadership.
- Senior management and employees participated in financial education seminars with an organization that provides high demand job skills training needed to secure high-wage jobs. Additionally, the organization helps individuals that have completed the training find the first job. The organization also helps young adults obtain their high school diploma. Annually over 1,000 adults and young adults are placed in living-wage jobs or have received advanced education.
- An employee of the mortgage department conducted seminars in coordination with a nonprofit organization that works closely with financial institutions and community housing agencies. The organization aims to expand opportunity for responsible and sustainable homeownership to LMI individuals and families in New York City and surrounding counties.
- Members of management and employees participated in small business events providing technical knowledge and expertise to small business owners. These events were hosted by a radio station and various small businesses and held at various times during the evaluation period.

D. Additional Factors

The following factors were also considered in assessing Dime’s record of performance.

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.

Dime’s Board of Directors (“Board”) responsibilities include reviewing and approving the CRA policy at least annually, assessing CRA efforts and performance, appointing the CRA officer, and approving the Bank’s assessment area and the CRA program. Any substantive changes to the CRA policy must be approved by the Board, which is assisted in its oversight of the Bank’s CRA function by the Regulatory Compliance Committee (“RCC”), which consists of at least four directors. The RCC is responsible for overseeing the effectiveness of the compliance management function including CRA.

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 Dime intended to discourage applications for the types of credit offered by Dime.

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

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

3. 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.*

Ascertainment of the community's credit needs and communicating with them regarding the credit services being provided by the Bank is accomplished through management and the CRA Officer's engagement with the community which includes nonprofit organizations, business groups and local officials. Hosting and participating in various affordable housing and financial education seminars with nonprofit community organizations, providing technical assistance to small businesses, and supporting nonprofits that provide community services to LMI people, allow management to ascertain the credit needs of its community and communicate the various 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*

Dime advertises its credit services regularly across the footprint of all its branch offices; in addition, the Bank also runs geofenced advertisements within targeted LMI zip codes within its assessment area. Also, Dime's hosting and participating in various first-time homebuyer and financial education seminars provides the Bank the opportunity to inform the community about the various credit services offered by Dime including affordable mortgage products.

- *Action Taken in Response to Written Complaints with Respect to CRA*

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

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

Dime originated two qualified community development loans outside its assessment area, but within New York State, totaling \$2.3 million. Both were for the acquisition of multifamily developments that supported affordable housing in Westchester County.

Dime also served as a correspondent bank to three New York based CDFI's as part of the Federal Reserve Bank's PPP liquidity facility.

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) ;

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- 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.

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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

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

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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;

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- 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.