



PUBLIC SUMMARY

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION OF ALMA BANK

AS OF JUNE 30, 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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ALMA BANK – CRA PERFORMANCE EVALUATION

I - GENERAL INFORMATION

This document is an evaluation (the “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 Bank’s CRA performance based on an evaluation conducted as of June 30, 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.

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II - 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 2021, 2022 and 2023 for the lending test and the period from October 1, 2021, to June 30, 2024, for the community development test. Alma is rated “2,” indicating a **Satisfactory** record of helping to meet community credit needs.

The rating is based on the following factors:

A. Lending Test: Satisfactory

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

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 92.8% for the evaluation period significantly exceeded the peer’s average LTD ratio of 77.2%.

2. Assessment Area Concentration:

During the evaluation period, Alma originated 69.6% by number and 70.6% by dollar value of its HMDA-reportable and small business loans within the assessment area demonstrating a reasonable concentration of lending.

3. Distribution by Borrower Characteristics:

Alma’s small business lending demonstrated a very poor distribution of loans among businesses of different revenue sizes.

The Bank originated few loans secured by 1-4 family, owner-occupied residential properties during the evaluation period. Instead, almost all HMDA-reportable loans were secured by investment and/or multifamily properties, for which borrower income is not collected for HMDA-reporting purposes. Therefore, evaluation of this criterion was based solely on the Bank’s rates of small business lending to businesses with revenues of \$1 million or less.

The Bank’s rates of lending to businesses with revenues of \$1 million or less were 13% by number of loans and 10.1% by dollar value of loans. This performance lagged that of the aggregate, which had rates of 45.8% and 24.9%, respectively.

4. Geographic Distribution of Loans:

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

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Examiners noted that the Bank’s geographic distribution of loans with respect to HMDA-reportable loans was excellent; however, its lending performance with respect to small business loans was poor.

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

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

B. Community Development Test: Satisfactory

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

1. Community Development Lending:

During the evaluation period, Alma originated \$45.1 million in new community development loans and had \$48.3 million outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending.

2. Qualified Investments:

During the evaluation period, Alma made \$500,000 in qualified investments and had \$2.7 million outstanding from prior evaluation periods. In addition, Alma made \$53,000 in qualified grants. This demonstrated an adequate level of qualified investments over the course of the evaluation period.

3. Community Development Services

Alma demonstrated a poor level of community development services. over the course of the evaluation period.

4. Responsiveness to Community Development Needs:

Alma demonstrated an adequate level of responsiveness to credit and community development needs.

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

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III - PERFORMANCE CONTEXT

A. Institution Profile

Founded in 2007, Alma is a New York State-chartered full-service commercial bank headquartered in the Astoria neighborhood of Queens. The Bank operates four wholly owned subsidiaries to hold real estate. The subsidiaries' activities are not considered in this evaluation.

The Bank operates 10 banking offices throughout New York State, of which four are in Queens County, three in Kings County (Brooklyn), one in New York County (Manhattan), one in Bronx County, and one in Nassau County. Four of the 10 banking offices are in LMI areas. The Bank also operates three banking offices in New Jersey. Supplementing the New York State banking offices is an automated teller machine ("ATM") network consisting of an ATM at each branch. Alma's customers also have surcharge-free access through the Allpoint network to over 55,000 ATMs worldwide out of which more than 40,000 are located in the U.S.

Alma offers a variety of traditional personal and business banking products and services. Its deposit products include checking and saving accounts, certificates of deposit, money market accounts, and individual retirement accounts. The Bank provides several loan options including commercial and industrial loans, commercial real estate and multifamily mortgage loans, and personal loans. Additionally, Alma provides online, telephone, and mobile banking.

In its Consolidated Report of Condition (the "Call Report") as of December 31, 2023, filed with the Federal Deposit Insurance Corporation ("FDIC"), Alma reported total assets of \$1.4 billion, of which \$1.2 billion were net loans and lease financing receivables. It also reported total deposits of \$1.2 billion, resulting in an LTD ratio of 98.4%. According to the comparative deposit data as of June 30, 2024, Alma obtained a market share of .06%, or \$1 billion in a market of \$1.8 trillion, ranking it 44th among 106 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, 2021, December 31, 2022, and December 31, 2023 Call Reports:

TOTAL GROSS LOANS OUTSTANDING						
Loan Type	2021		2022		2023	
	\$000's	%	\$000's	%	\$000's	%
1-4 Family Residential Mortgage Loans	34,471	3.2	32,295	2.8	36,274	2.9
Commercial & Industrial Loans	148,467	13.7	134,813	11.6	150,187	12.1
Commercial Mortgage Loans	657,635	60.8	739,219	63.7	768,795	62.2
Multifamily Mortgages	206,099	19.0	213,944	18.4	234,236	18.9
Consumer Loans	450	0.0	977	0.1	794	0.1
Construction Loans	30,928	2.9	26,407	2.3	27,103	2.2
Other Loans	4,002	0.4	13,665	1.2	18,782	1.5
Total Gross Loans	1,082,052		1,161,320		1,236,171	

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As illustrated in the above table, Alma is primarily a commercial lender, with 62.2% of its loan portfolio in commercial mortgage loans, 18.9% in multifamily mortgages and 12.1% in commercial and industrial loans.

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.

B. Assessment Area

The Bank's assessment area consists of New York County in its entirety and portions of Bronx, Kings and Queens Counties. In January 2024, the Bank expanded its assessment area to include the town of North Hempstead in Nassau County.

There are 1,478 census tracts in the Bank's assessment area, of which 101 are low-income, 364 are moderate-income, 523 are middle-income, 405 are upper-income, and 85 are tracts with no income indicated.

Assessment Area Census Tracts by Income Level							
County	N/A	Low	Mod	Middle	Upper	Total	LMI %
Bronx*	5	15	57	54	14	145	49.7
Kings*	13	27	112	122	58	332	41.9
Queens*	44	23	151	315	158	691	25.2
New York	23	36	44	32	175	310	25.8
Total	85	101	364	523	405	1,478	31.5

* *Partial county*

C. Demographic & Economic Data

The assessment area had a population of 5,642,501 during the evaluation period. Approximately 15.31% of the population was over the age of 65 and 21.7% was under the age of 16.

Of the 1,204,439 families in the assessment area, 26.9% were low-income, 15.8% were moderate-income, 16.5% were middle-income and 40.8% were upper-income. There were 2,056,926 households in the assessment area, of which 14.8% had income below the poverty level and 3.6% were on public assistance.

The weighted average median family income in the assessment area was \$94,804.

There were 2,298,625 housing units within the assessment area, of which 35.8% were one-to-four family units and 64.1% were multifamily units. A majority (58.2%) of the housing units were rental occupied units, while 31.3% were owner-occupied and 10.5% were vacant units.

Of the total 1,338,333 rental occupied units, 41% were in LMI census tracts while 57.5% were in middle- and upper-income census tracts. The weighted average monthly gross rent was \$1,692.

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Of the 718,593 owner-occupied housing units, 20% were in LMI census tracts while 79.2% were in middle- and upper-income census tracts. The median age of the housing stock was 74 years, and the weighted average of median home value in the assessment area was \$719,858.

There were 1,052,135 non-farm businesses in the assessment area. Of these, 93.2% were businesses with reported revenues of less than or equal to \$1 million, 2.9% reported revenues of more than \$1 million and 4% did not report their revenues. Of all the businesses in the assessment area, 97.9% were businesses with less than fifty employees while 95.9% operated from a single location. The largest industries in the area were services (31.7%), finance, insurance and real estate (11.3%) and retail trade (10.4%); 33.5% of businesses in the assessment area were not classified.

According to New York State Department of Labor data, the statewide average unemployment rate for the evaluation period was 5.2%. The annual unemployment rate for statewide and all the counties in Alma’s assessment area showed a decline from 2021 onwards, as the economy started recovering from the impact of the COVID-19 pandemic. Among the counties, Bronx County had the highest annual unemployment rate in each year of the evaluation period and the highest unemployment rate for the evaluation period. Additionally, all the counties in the Bank’s assessment area had higher annual unemployment rates in each year of the evaluation period and higher unemployment rates for the evaluation period than the corresponding statewide rates.

Assessment Area Unemployment Rate					
	Statewide	Bronx	Kings	Queens	New York
2021	7.1	13.9	10.4	9.9	7.8
2022	4.3	7.9	5.9	5.3	4.6
2023	4.2	6.8	5.5	4.6	4.6
Average of Years above	5.2	9.5	7.3	6.6	5.7

D. Community Information

DFS examiners interviewed representatives from two organizations operating within the Bank’s assessment area.

The first representative was the Executive Director of an organization focused on tenant advocacy and providing free after-school and summer camp programs in New York City. The representative stated that some areas of New York City, particularly North Brooklyn and the Far Rockaway section of Queens, lack adequate banking institutions. As a result, residents in these areas often rely on alternative financial services such as check-cashers. Additionally, examiners were advised of several bank branch closures in the Woodside section of Queens. Furthermore, some banks are reportedly unable to adequately serve the local population due to staffing shortages and high turnover rates. The representative highlighted that minority communities are predominant in Woodside, Queens and the area has limited financial services. The representative expressed that these communities would benefit from increased outreach efforts from financial institutions.

The second representative was the Vice President of an organization that provides business services to small and medium-sized businesses located in the Long Island City section of Queens.

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This representative communicated to DFS examiners that, while there was no shortage of credit products available, businesses struggle to afford these products due to high interest rates. The representative indicated that profit margins for businesses are insufficient to cover the debt service required for loans, leading many to opt out of seeking business loans altogether.

The representative also stated that the community would benefit from improved municipal sanitation and public safety services.

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IV - PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

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

The lending test includes:

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

The community development test includes:

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

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

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

DFS derived statistics employed in this Evaluation from various sources. 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 loan to deposit ("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. 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 2021, 2022 and 2023 for lending activities and the period from October 1, 2021 to June 30, 2024, for community development activities.

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

Since Alma did not make any small farm loans, DFS based all analyses on small business lending only.

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

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

In its prior Community Reinvestment Act Performance Evaluation as of September 30, 2021, DFS assigned Alma a rating of “2” or a “satisfactory” compliance with regulatory standards.

CRA Rating: Satisfactory

A. Lending Test Satisfactory

Alma’s small business and HMDA-reportable activities were reasonable considering 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.

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

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

Alma’s average LTD ratio of 92.8% for the evaluation period exceeded its peer group average LTD ratio of 77.2%. The Bank’s LTD ratio fluctuated between 89% and 98.4% during the evaluation period.

The table below shows Alma’s LTD ratios in comparison with the peer group’s ratios for the 12 quarters of this evaluation.

Loan-to-Deposit Ratios													
	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	Avg.
Bank	94.9	90.1	89.0	92.5	89.8	92.3	93.7	95.0	90.2	92.9	94.2	98.4	92.8
Peer	77.5	75.2	72.7	72.1	71.4	74.6	76.8	79.3	79.8	81.9	82.0	83.4	77.2

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2. Assessment Area Concentration:

During the evaluation period, Alma originated 69.6% by number and 70.6% by dollar value of its total HMDA-reportable and small business loans within the assessment area, demonstrating a reasonable concentration of lending.

a. HMDA-Reportable Loans:

During the evaluation period, the Bank originated 59.6% by number and 69.8% 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.

b. Small Business Loans:

During the evaluation period, Alma originated 71.1% by number and 71.6% 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 the Bank’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										
2021	11	73.3%	4	26.7%	15	43,914	86.1%	7,075	13.9%	50,989
2022	5	27.8%	13	72.2%	18	15,100	37.4%	25,281	62.6%	40,381
2023	15	78.9%	4	21.1%	19	29,394	83.2%	5,924	16.8%	35,318
Subtotal	31	59.6%	21	40.4%	52	88,408	69.8%	38,280	30.2%	126,688
Small Business										
2021	142	67.9%	67	32.1%	209	26,978	63.8%	15,330	36.2%	42,308
2022	16	50.0%	16	50.0%	32	7,681	47.4%	8,529	52.6%	16,210
2023	76	86.4%	12	13.6%	88	42,728	86.1%	6,889	13.9%	49,617
Subtotal	234	71.1%	95	28.9%	329	77,387	71.6%	30,748	28.4%	108,135
Grand Total	265	69.6%	116	30.4%	381	165,795	70.6%	69,028	29.4%	234,823

3. Distribution by Borrower Characteristics:

Alma’s small business lending demonstrated a very poor distribution of loans among businesses of different revenue sizes.

This criterion was evaluated solely on the Bank’s lending to businesses with revenues of \$1 million or less. One-to-four family HMDA-reportable loans originated by the Bank were not considered,

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as these loans were originated for investment properties, for which income information was not collected.

During the evaluation period, the Bank’s average rates of lending to businesses with gross annual revenues of \$1 million or less were 13% by number and 10.1% by dollar value. This compares unfavorably to the aggregate’s rates of lending of 45.8% and 24.9%, respectively. Additionally, the rates of lending (both number of loans and total dollar value of loans) of the Bank’s and the aggregate’s small business of lending trailed the small business demographic in each year of the evaluation period.

The Bank originated 116 Paycheck Protection Program (“PPP”) loans totaling \$17.3 million in 2021. The Bank was not required to collect revenue information for originating PPP loans. To avoid skewing the results of this analysis, these loans were not included in this criterion. Out of the total PPP loans originated, 71 loans totaling \$2.7 million were in the amount of less than or equal to \$100,000 each. It can be inferred that these loans primarily benefitted small businesses.

Alma’s performance in this criterion was impacted by its particularly poor performance in 2023. During that year, the Bank made 6.6% by number of loans and 10% of lending to businesses with revenues of less than \$1 million, contrasted with the aggregate’s respective levels of 45.8% and 24.9%. DFS examiners noted that in 2023, the Bank originated 50 loans, secured by taxi medallions, to various businesses all underwritten based on the revenue of an affiliated company with revenues of greater than \$1 million

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

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Distribution of Small Business Lending by Revenue Size of Business									
2021									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	7	30.4%	1,714	17.6%	86,704	36.7%	1,569,037	17.3%	91.0%
Rev. > \$1MM	16	69.6%	8,013	82.4%					3.8%
Rev. Unknown	-	0.0%	0	0.0%					5.2%
Total	23		9,727		235,939		9,084,725		
2022									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	3	18.8%	1,750	22.8%	99,984	48.4%	1,632,975	30.5%	91.3%
Rev. > \$1MM	13	81.3%	5,931	77.2%					3.6%
Rev. Unknown	-	0.0%	0	0.0%					5.1%
Total	16		7,681		206,486		5,357,886		
2023									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	5	6.6%	2,580	6.0%	113,638	53.4%	1,646,379	32.9%	93.2%
Rev. > \$1MM	70	92.1%	40,029	93.7%					2.9%
Rev. Unknown	1	1.3%	113	0.3%					4.0%
Total	76		42,722		212,680		5,003,312		
GRAND TOTAL									
Rev. Size	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Rev. <= \$1MM	15	13.0%	6,044	10.1%	300,326	45.8%	4,848,391	24.9%	
Rev. > \$1MM	99	86.1%	53,973	89.8%	-				
Rev. Unknown	1	0.9%	113	0.2%	0				
Total	115		60,130		655,105		19,445,923		

4. Geographic Distribution of Loans:

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

a. 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 25.8% by number and 50.5% by dollar value of its HMDA-reportable loans in LMI census tracts. This compares favorably to the aggregate's rates of lending of 19.5% and 20.6%, respectively.

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.

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Distribution of HMDA-Reportable Lending by Geographic Income of the Census Tract									
2021									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	2,120	2.8%	2,698,860	4.4%	2.3%
Moderate	4	36.4%	28,700	65.4%	12,128	16.2%	10,221,620	16.8%	16.3%
LMI	4	36.4%	28,700	65.4%	14,248	19.0%	12,920,480	21.2%	18.6%
Middle	3	27.3%	3,300	7.5%	23,141	30.8%	13,631,765	22.4%	35.9%
Upper	4	36.4%	11,914	27.1%	37,492	49.9%	34,162,730	56.1%	45.3%
Unknown	0	0.0%	0	0.0%	205	0.3%	131,955	0.2%	0.0%
Total	11		43,914		75,086		60,846,930		
2022									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	1	20.0%	2,650	17.5%	1,580	3.4%	1,729,110	3.4%	2.6%
Moderate	1	20.0%	1,200	7.9%	7,675	16.5%	8,123,795	16.1%	17.5%
LMI	2	40.0%	3,850	25.5%	9,255	19.9%	9,852,905	19.5%	20.0%
Middle	2	40.0%	6,750	44.7%	15,245	32.8%	10,494,215	20.8%	38.1%
Upper	1	20.0%	4,500	29.8%	21,506	46.2%	29,522,750	58.4%	41.1%
Unknown	0	0.0%	0	0.0%	533	1.1%	657,535	1.3%	1.0%
Total	5		15,100		46,539		50,527,405		
2023									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	1	6.7%	7,700	26.2%	807	3.3%	1,213,995	5.3%	2.6%
Moderate	1	6.7%	4,400	15.0%	4,191	17.0%	3,575,525	15.7%	17.5%
LMI	2	13.3%	12,100	41.2%	4,998	20.2%	4,789,520	21.1%	20.0%
Middle	8	53.3%	6,794	23.1%	8,724	35.3%	5,339,090	23.5%	38.1%
Upper	5	33.3%	10,500	35.7%	10,714	43.4%	12,301,540	54.2%	41.1%
Unknown	0	0.0%	0	0.0%	271	1.1%	286,055	1.3%	1.0%
Total	15		29,394		24,707		22,716,205		
GRAND TOTAL									
Geographic Income	Bank				Aggregate				OO HUs
	#	%	\$000's	%	#	%	\$000's	%	%
Low	2	6.5%	10,350	11.7%	4,507	3.1%	5,641,965	4.2%	
Moderate	6	19.4%	34,300	38.8%	23,994	16.4%	21,920,940	16.3%	
LMI	8	25.8%	44,650	50.5%	28,501	19.5%	27,562,905	20.6%	
Middle	13	41.9%	16,844	19.1%	47,110	32.2%	29,465,070	22.0%	
Upper	10	32.3%	26,914	30.4%	69,712	47.6%	75,987,020	56.7%	
Unknown	0	0.0%	0	0.0%	1,009	0.7%	1,075,545	0.8%	
Total	31		88,408		146,332		134,090,540		

b. Small Business Loans:

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

Alma originated 20.1% by number and 16.1% by dollar value of its small business loans in LMI census tracts. These rates of lending underperformed the aggregate's percentages of 27% and

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21.7% respectively. During the evaluation period, small businesses constituted from 25.8% to 26.7% of all businesses in LMI census tracts in the assessment area.

The Bank’s performance in this criterion was negatively influenced by a single transaction which accounted for 50 out of 76 loans in 2023 made in an upper income census tract. 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.

Distribution of Small Business Lending by Geographic Income of the Census Tract									
2021									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	4	2.8%	306	1.1%	12,425	5.3%	343,010	3.8%	5.4%
Moderate	34	23.9%	7,787	28.9%	50,474	21.4%	1,435,763	15.8%	21.2%
LMI	38	26.8%	8,093	30.0%	62,899	26.7%	1,778,773	19.6%	26.7%
Middle	57	40.1%	10,637	39.4%	55,414	23.5%	1,554,807	17.1%	22.3%
Upper	46	32.4%	8,176	30.3%	110,953	47.0%	5,257,281	57.9%	47.9%
Unknown	1	0.7%	72	0.3%	6,673	2.8%	493,864	5.4%	3.2%
Total	142		26,978		235,939		9,084,725		
2022									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	12,884	6.2%	308,827	5.8%	6.4%
Moderate	3	18.8%	2,150	28.0%	41,043	19.9%	931,980	17.4%	19.4%
LMI	3	18.8%	2,150	28.0%	53,927	26.1%	1,240,807	23.2%	25.8%
Middle	8	50.0%	2,511	32.7%	50,813	24.6%	1,022,147	19.1%	23.4%
Upper	5	31.3%	3,020	39.3%	90,453	43.8%	2,654,143	49.5%	45.2%
Unknown	0	0.0%	0	0.0%	11,293	5.5%	440,789	8.2%	5.7%
Total	16		7,681		206,486		5,357,886		
2023									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	0	0.0%	0	0.0%	15,247	7.2%	311,015	6.2%	6.5%
Moderate	6	7.9%	2,240	5.2%	44,659	21.0%	893,716	17.9%	19.6%
LMI	6	7.9%	2,240	5.2%	59,906	28.2%	1,204,731	24.1%	26.1%
Middle	13	17.1%	4,623	10.8%	52,830	24.8%	993,452	19.9%	23.4%
Upper	56	73.7%	34,865	81.6%	89,497	42.1%	2,404,534	48.1%	44.9%
Unknown	1	1.3%	1,000	2.3%	10,447	4.9%	400,595	8.0%	5.7%
Total	76		42,728		212,680		5,003,312		
GRAND TOTAL									
Geographic Income	Bank				Aggregate				Bus.Dem.
	#	%	\$000's	%	#	%	\$000's	%	%
Low	4	1.7%	306	0.4%	40,556	6.2%	962,852	5.0%	
Moderate	43	18.4%	12,177	15.7%	136,176	20.8%	3,261,459	16.8%	
LMI	47	20.1%	12,483	16.1%	176,732	27.0%	4,224,311	21.7%	
Middle	78	33.3%	17,771	23.0%	159,057	24.3%	3,570,406	18.4%	
Upper	107	45.7%	46,061	59.5%	290,903	44.4%	10,315,958	53.0%	
Unknown	2	0.9%	1,072	1.4%	28,413	4.3%	1,335,248	6.9%	
Total	234		77,387		655,105		19,445,923		

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

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

B. Community Development Test: Satisfactory

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

During the evaluation period, Alma originated \$45.1 million in new community development loans and still had \$48.3 million outstanding from prior evaluation periods. Additionally, Alma made \$500,000 in new qualified investments and had \$2.7 million outstanding from prior evaluation periods. Alma made \$53,000 in qualified grants.

A more detailed description of Alma’s community development activity follows:

1. Community Development Lending:

During the evaluation period, Alma originated \$45.1 million in new community development loans and had \$48.3 million outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending over the course of the evaluation period.

Pursuant to the Department’s “Updated Final Guidelines for Bank Lending to Multifamily Properties Under the Community Reinvestment Act, issued December 4, 2014”, DFS disqualified four loans totaling \$23.9 million that financed multifamily properties with a high score in the University Neighborhood Housing Program’s Building Indicator Project (“BIP”) database. As a result, the properties financed were deemed to facilitate substandard living conditions and not promote or provide affordable housing.

Community Development Loans				
Purpose	This Evaluation Period		Outstandings from Prior Evaluation Periods	
	# of Loans	\$000	# of Loans	\$000
Affordable Housing	20	41,065	25	45,813
Economic Development	1	80	0	-
Community Services	0	-	1	1,766
Revitalize & Stabilize	1	4,000	1	721
Total	22	45,145	27	48,300

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Below are highlights of Alma’s community development lending:

- Alma originated a \$4 million loan to pay for renovations of a publicly accessible historic site located in a moderate-income area of the Bronx. The renovations serve to revitalize and stabilize the moderate-income area.
- Alma refinanced a \$7.7 million loan collateralized by a multifamily apartment building located in a low-income area of Queens. The majority of the rents in the building were less than the fair market rents (“FMR”) for the area as defined by the Department of Housing and Urban Development,
- Alma financed two commercial real estate loans totaling \$2.4 million that supported the acquisition of a multifamily unit apartment building in Brooklyn. The majority of the rents paid by tenants were below FMRs for the area.
- Alma refinanced a \$6 million loan collateralized by a multifamily apartment building located in Queens. The majority of rents in the building were less than the FMR for the area.

2. Qualified Investments:

During the evaluation period, Alma made \$500,000 in new qualified investments and had \$2.7 million outstanding from prior evaluation periods. In addition, Alma made \$53,000 in qualified grants. This demonstrated an adequate level of qualified investments over the course of the evaluation period.

Qualified Investments and Grants				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
	# of Inv.	\$000	# of Inv.	\$000
CD Investments				
Affordable Housing			8	2,188
Economic Development			1	503
Community Services				
Revitalization and Stabilization	1	\$ 500		
Other (Please Specify)				
Total	1	\$ 500	9	2,691
CD Grants	# of Grants	\$000	Not Applicable	
Affordable Housing	2	\$ 10		
Economic Development				
Community Services	19	\$ 43		
Other (Please Specify)				
Total	21	\$ 53		

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

- Alma invested \$500,000 in the New York City Transitional Finance Authority’s building aid revenue bond. The purpose of the bond is to fund a portion of capital projects of New York City schools where the majority of students qualify for free/reduced price lunches. These capital projects help achieve the revitalization/stabilization of the areas in which the schools are located.
- Alma Bank gave two grants for a total of \$10,000 to a non-profit organization that provides financial and housing counseling education to facilitate and support low and moderate – income New Yorkers to purchase and preserve affordable housing.
- Alma made seven grants totaling \$27,426 to support schools located in LMI sections of the assessment area, so that the schools can provide financial education and literacy programs using online interactive courses.

3. Community Development Services:

Alma demonstrated a poor level of community development services over the course of the evaluation period.

Community Development Services	
Activity Type	Number of Activities
On-Going Board & Committee Memberships	4
Technical Assistance	
Seminars	2
Credit Counseling	
Other Services	
Total Community Development Services	6

Below is a description of Alma’s community development services.

- A regional manager of the Bank is a member of the board of directors of a non-profit organization which serves families in underserved communities in the assessment area. This organization delivers gifts and school supplies through grassroots fundraising efforts, community partnerships and corporate sponsorship.
- Alma’s employees conducted a seminar for a group of seniors to make them aware of elder fraud and financial exploitation. The seminar was held at a low-income housing complex located in Queens. This residential complex is subsidized by the U.S. Department of Housing and Urban Development.

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Responsiveness to Community Development Needs:

Alma demonstrated an adequate level of responsiveness through community development lending and investments.

C. Additional Factors

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

The Board of Directors (“Board”) has designated a CRA committee that is responsible for complying with CRA requirements. This committee reports to the Risk and Compliance Committee of the Board. The Board is also responsible for designating the CRA officer and reviewing and approving the CRA Policy and the assessment area. The Board receives regular reports at least quarterly about the Bank’s CRA related activities and performance.

2. Discrimination and other illegal practices

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

DFS examiners did not note practices by 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.

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

In June 2022, the Bank relocated its Bayside branch (middle-income census tract) to a new location in Flushing (moderate-income tract), both located in Queens. This new location offers off-street parking. Additionally, the Bank opened a new branch in Nassau County (in an upper-income census tract) in January 2024. This new location offers a drive-thru window facility. Both of the new branches offer a night drop facility.

Four of Alma’s branches in the assessment area are in moderate-income census tracts. Banking hours for all branches are Monday to Friday from 9:00 AM to 5:00 PM. Additionally, two branches in Queens, and one branch each in Brooklyn and Nassau County, offer Saturday hours from 9:00 AM to 1:00 PM.

Alma’s additional services include safe deposit boxes, foreign currency exchange, debit and credit cards, s consumer and business online, telephone and mobile banking, cash management services, bill pay and Zelle (a person-to-person money transfer service)

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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 (Borough)	N/A #	Low #	Moderate #	Middle #	Upper #	Total #	LMI %	LMI and Distressed or Underserved
*Kings			2	1		3	67%	67%
*Bronx			1			1	100%	100%
*Queens			1		3	4	25%	25%
New York	1					1	0%	0%
*Nassau					1	1	0%	0%
Total	1	-	4	1	4	10	40%	40%

**Partial County/*

4. Process Factors

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

Alma partners with several nonprofit organizations in various events. The Bank’s board members and employees participate in these events which enables them to ascertain the credit needs of the community and also communicate with members of the community regarding the credit services provided by Alma. Additionally, a senior management employee began serving on the board of a non-profit organization during the evaluation period and a senior officer of the Bank serves on the committee of a lenders’ group.

- 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

The Bank provides brochures for its lending products and markets its products via its website.

5. 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

DFS examiners noted no other factors.

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.