PUBLIC SUMMARY

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION OF THE BERKSHIRE BANK

AS OF DECEMBER 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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I - GENERAL INFORMATION

This document is an evaluation (the "Evaluation") of the Community Reinvestment Act ("CRA") performance of The Berkshire Bank ("TBB" or the "Bank") prepared by the New York State Department of Financial Services ("DFS" or the "Department"). This Evaluation represents the Department's current assessment and rating of the Bank's CRA performance based on an evaluation conducted as of December 31, 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.

II - OVERVIEW OF INSTITUTION'S PERFORMANCE

The Department evaluated TBB according to the intermediate small banking institution performance criteria pursuant to Sections 76.7 and 76.12 of the GRS. The evaluation period included calendar years 2022, 2023 and 2024 for the lending test and the period from April 1, 2022 to December 31, 2024, for the community development test. TBB is rated "**3**" indicating a record of "**Needs to Improve**" of meeting community credit needs.

The rating is based on the following factors:

A. Lending Test: Needs to Improve

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

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

TBB's average LTD ratio of 52.6% for the evaluation period was significantly below the peer's average LTD ratio of 75.1%. This represented a decline from the average LTD ratio of 62.3% in the prior evaluation period. The Bank's average quarterly LTD ratio ranged from 43.5% to 57.7% and was lower than the peer average LTD ratios for all 12 quarters of the evaluation period.

2. Assessment Area Concentration:

During the evaluation period, TBB originated 87.5% by number and 95.2% by dollar value of its total HMDA-reportable and small business loans within the assessment area, demonstrating an excellent concentration of lending.

3. Distribution by Borrower Characteristics:

TBB's small business lending demonstrated a poor distribution of loans among businesses of different revenue sizes. This rating is largely based on the very low volume of small business lending during the evaluation period with only twelve loans originated over the three-year period.

The evaluation of this criterion was solely based on small business lending, as TBB is primarily a commercial lender and made very few one-to-four family HMDA-reportable loans. The Bank originated nine HMDA-reportable loans during the evaluation period, of which five loans or 55.5% were one-to-four family HMDA-reportable loans.

4. Geographic Distribution of Loans:

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

Due to the very low volume of HMDA-reportable loans during the evaluation period and since the Bank did not originate any HMDA loans in LMI census tracts, HMDA-reportable loans were not evaluated for this criterion.

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

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

B. Community Development Test: Satisfactory

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

1. Community Development Lending:

During the evaluation period, TBB originated $33.8 million in new community development loans, and had $63.7 million outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending.

2. Qualified Investments:

During the evaluation period, TBB made $3.3 million in qualified investments and had $2.7 million outstanding from prior evaluation periods. In addition, TBB made $2,000 in qualified grants. This demonstrated an adequate level of qualified investments over the course of the evaluation period.

3. Community Development Services

TBB demonstrated an adequate level of community development services over the course of the evaluation period.

4. Responsiveness to Community Development Needs:

TBB 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.

III - PERFORMANCE CONTEXT

A. Institution Profile

Chartered in 1989, TBB is a commercial bank headquartered in New York, New York. The Bank is owned by Berkshire Bancorp, Inc.

TBB operates eight banking offices, of which three are in New York County (Manhattan), three in Kings County (Brooklyn), and two in Orange County. Supplementing the banking offices is an automated teller machine ("ATM") network consisting of eight machines, including one at each office.

The Bank's deposit products include personal and business checking accounts, savings accounts, and certificates of deposit. Lending products offered include residential mortgage loans and a variety of business loans. Other business and personal banking services offered include, but are not limited to, debit cards, online and mobile banking, remote deposit service, and safe deposit boxes.

In its Consolidated Report of Condition (the "Call Report") as of December 31, 2024, filed with the Federal Deposit Insurance Corporation ("FDIC"), TBB reported total assets of $587.9 million, of which $196.7 million were net loans and lease financing receivables. It also reported total deposits of $452.8 million, resulting in an LTD ratio of 43.5%. According to the latest available comparative deposit data as of June 30, 2024, TBB obtained a market share of .03%, or $452.6 million in a market of $1.8 trillion, ranking it 65th among 116 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, 2022, December 31, 2023, and December 31, 2024, Call Reports:

TOTAL GROSS LOANS OUTSTANDING						
	2022		2023		2024	
Loan Type	$000's	%	$000's	%	$000's	%
1-4 Family Residential Mortgage Loans	35,198	12.5	31,713	12.4	28,919	14.0
Commercial & Industrial Loans	6,709	2.4	5,254	2.1	626	0.3
Commercial Mortgage Loans	191,938	68.2	162,203	63.5	135,536	65.8
Multifamily Mortgages	17,756	6.3	19,601	7.7	16,120	7.8
Consumer Loans	192	0.1	233	0.1	54	0.0
Construction Loans	29,761	10.6	36,244	14.2	24,788	12.0
Other Loans	18	0.0	7	0.0	3	0.0
Total Gross Loans	281,572		255,255		206,046	

As illustrated in the above table, TBB is primarily a commercial mortgage lender, with commercial mortgage loans comprising 65.8% of its total gross loan portfolio as of December 31, 2024. Lending levels by dollar value have decreased for all types of loans, many significantly, since 2022.

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

B. Assessment Area

The Bank's assessment area consists of New York (Manhattan), Kings (Brooklyn), Bronx, Queens, and Orange counties.

There are 2,293 census tracts in the Bank's assessment area, of which 292 are low-income, 574 are moderate-income, 732 are middle-income, 553 are upper-income, and 142 are tracts with no income indicated.

Assessment Area Census Tracts by Income Level

County	N/A	Low	Moderate	Middle	Upper	Total	LMI %
Bronx	21	129	121	65	25	361	69.3
Kings (Brooklyn)	46	91	235	263	170	805	40.5
New York (Manhattan)	23	36	44	32	175	310	25.8
Orange	0	10	17	47	18	92	29.3
Queens	52	26	157	325	165	725	25.2
Total	142	292	574	732	553	2,293	37.8

C. Demographic & Economic Data

The assessment area had a population of 8,709,753 during the evaluation period. Approximately 14.1% of the population was over the age of 65 and 22.7% was under the age of 16.

Of the 1,871,363 families in the assessment area, 30.2% were low-income, 16.2% were moderate-income, 16.5% were middle-income and 37.2% were upper-income. There were 3,154,959 households in the assessment area, of which 17.2% had income below the poverty level and 4.6% were on public assistance.

The weighted average median family income in the assessment area was $87,594.

There were 3,482,976 housing units within the assessment area, of which 37.8% were one-to-four family units and 61.9% were multifamily units. A majority (61.3%) of the housing units were rental-occupied, 29.3% were owner-occupied units and 9.4% were vacant units.

Of the total 2,133,219 rental-occupied units, 50% were in LMI census tracts while 48.6% were in middle- and upper-income census tracts. The weighted average monthly gross rent was $1,592.

Of the 1,021,740 owner-occupied housing units, 22.1% were in LMI census tracts while 77.1% were in middle- and upper-income census tracts. The median age of the housing stock was 73 years, and the weighted average median home value in the assessment area was $667,431.

There were 1,469,799 non-farm businesses in the assessment area. Of these, 93.8% were businesses with reported revenues of $1 million or less, 2.5% reported revenues of more than $1 million, and 3.8% did not report their revenues. Of all the businesses in the assessment area, 98.2% were businesses with less than fifty employees while 96.2% operated from a single location. The largest industries in the area were services (31%), retail trade (10.7%) and finance, insurance, and real estate (10.1%); 35.2% of businesses in the assessment area were not classified.

According to New York State Department of Labor data, Bronx County had the highest annual and total average unemployment rates during the evaluation period compared to rates for New York State and the other counties in the assessment area. Orange County had the lowest rates during the evaluation period.

Assessment Area Unemployment Rate						
	Statewide	Bronx	Kings	New York County	Orange	Queens
2022	4.3	8.0	5.7	4.8	3.4	5.3
2023	4.1	6.7	5.1	4.5	3.5	4.5
2024	4.3	6.9	5.4	4.8	3.7	4.7
Avg. of Years above	4.2	7.2	5.4	4.7	3.5	4.8

D. Community Information

As part of the evaluation, DFS examiners conducted community contact interviews with representatives from two nonprofit organizations located within the Bank's assessment area. The purpose of these interviews was to obtain additional insight into the credit and banking needs of the assessment area.

The first interview was with the Vice President of Programs for a nonprofit organization serving Brooklyn. The organization provides a range of services focused on immigrant support, youth programs, justice reform, housing assistance, and other essential community needs. The representative described the area as highly diverse, with a large immigrant population that often lacks familiarity with the financial system, has limited financial literacy, and in some cases has experienced fraud. The representative noted that the area is largely unbanked with many residents relying on public assistance programs such as Medicaid and the Supplemental Nutrition Assistance Program. The representative further indicated that there is limited engagement from financial institutions within the area, and he expressed a need for greater access to affordable financial services, low- to no-cost loan products, and financial education programs.

The second interview was with the Chief Executive Officer and founder of a foundation that provides essential goods and services to vulnerable families residing in underserved communities. The representative stated that the area consists predominantly of immigrant populations and is largely unbanked. The representative noted that financial institutions should increase their outreach and marketing efforts to better connect with the community. The representative also noted that generally smaller banks tend to be more responsive to local credit needs compared to large institutions. The representative emphasized the ongoing need for financial literacy initiatives and

suggested that banks form a financial coalition dedicated to improving access to financial resources and education in the community.

IV - PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

The Department evaluated TBB 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. TBB 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.

The evaluation period included calendar years 2022, 2023 and 2024 for lending activities and the period from April 1, 2022 to December 31, 2024, for community development activities.

Examiners considered TBB's HMDA-reportable and small business lending activities in evaluating factor (2), and small business lending only for factors (3) and (4) of the lending test noted below.

As TBB 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.

TBB is not required to report small business loan data, so TBB'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 March 31, 2022, DFS assigned TBB a rating of "2" or a "Satisfactory" compliance with regulatory standards.

CRA Rating: Needs to Improve

A. Lending Test: Needs to Improve

TBB's HMDA-reportable and small business lending activities were poor considering TBB'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:

TBB's average LTD ratio was poor considering its size, business strategy, financial condition and peer group activity.

TBB's average LTD ratio of 52.6% was below its peer average LTD ratio of 75.1% and represented a decline from its average LTD ratio of 62.3% in its prior evaluation. The Bank's average quarterly LTD ratio ranged from 43.5% to 57.7% and was lower than the peer average LTD ratios for all 12 quarters of the evaluation period.

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

Loan-to-Deposit Ratios													
	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Avg.
Bank	53.1	51.6	52.8	55.1	55.6	57.7	56.0	55.0	49.7	50.8	49.9	43.5	52.6
Peer	66.5	69.3	71.2	73.8	74.5	76.6	77.6	78.0	77.8	79.1	78.6	78.3	75.1

2. Assessment Area Concentration:

During the evaluation period, TBB originated 87.5% by number and 95.2% by dollar value of its total HMDA-reportable and small business loans within the assessment area, demonstrating an excellent concentration of lending.

a. HMDA-Reportable Loans:

During the evaluation period, TBB originated 90.0% by number and 97.8% by dollar value of its HMDA-reportable loans within the assessment area.

This substantial majority of lending inside of TBB's assessment area reflects an excellent concentration of lending.

b. Small Business Loans:

During the evaluation period, TBB originated 85.7% by number and 87.2% by dollar value of its small business loans within the assessment area.

This substantial majority of lending inside of TBB's assessment area reflects an excellent 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										
2022	4	100.0%	0	0.0%	4	3,970	100.0%	0	0.0%	3,970
2023	4	80.0%	1	20.0%	5	5,233	95.4%	252	4.6%	5,485
2024	1	100.0%	0	0.0%	1	2,177	100.0%	0	0.0%	2,177
Subtotal	9	90.0%	1	10.0%	10	11,380	97.8%	252	2.2%	11,632
Small Business										
2022	6	85.7%	1	14.3%	7	2,087	89.3%	250	10.7%	2,337
2023	4	100.0%	0	0.0%	4	1,000	100.0%	0	0.0%	1,000
2024	2	66.7%	1	33.3%	3	325	56.5%	250	43.5%	575
Subtotal	12	85.7%	2	14.3%	14	3,412	87.2%	500	12.8%	3,912
Grand Total	21	87.5%	3	12.5%	24	14,792	95.2%	752	4.8%	15,544

3. Distribution by Borrower Characteristics:

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

The evaluation of this criterion was solely based on small business lending, as TBB is primarily a commercial lender and made very few one-to-four family HMDA-reportable loans. The Bank

originated nine HMDA-reportable loans during the evaluation period, of which five loans or 55.5% were one-to-four family HMDA-reportable loans.

Small Business Loans:

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

TBB's average rates of lending to small businesses with revenue of $1 million or less were 58.3% by number and 49.2% by dollar value of loans, above the aggregate's rates of lending of 52.3% and 32.7% respectively.

Although the Bank's percentage of small business loans with revenues of $1 million or less were above the aggregates rates of lending, the limited number of loans indicates the Bank's response to the needs of the assessment area has been minimal.

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

Distribution of Small Business Lending by Revenue Size of Business									
2022									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	3	50.0%	953	45.7%	137,662	48.7%	2,268,521	31.5%	91.7%
Rev. > $1MM	3	50.0%	1,134	54.3%					3.2%
Rev. Unknown	-	0.0%	0	0.0%					5.1%
Total	**6**		**2,087**		**282,910**		**7,211,261**		
2023									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	2	50.0%	400	40.0%	155,929	53.7%	2,254,737	33.3%	93.5%
Rev. > $1MM	2	50.0%	600	60.0%					2.5%
Rev. Unknown	-	0.0%	0	0.0%					4.0%
Total	**4**		**1,000**		**290,271**		**6,767,602**		
2024									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	2	100.0%	325	100.0%	174,451	54.2%	2,472,511	33.3%	93.8%
Rev. > $1MM	0	0.0%	0	0.0%					2.5%
Rev. Unknown	-	0.0%	0	0.0%					3.8%
Total	**2**		**325**		**321,931**		**7,429,239**		
GRAND TOTAL									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	7	58.3%	1,678	49.2%	468,042	52.3%	6,995,769	32.7%	
Rev. > $1MM	5	41.7%	1,734	50.8%	-				
Rev. Unknown	-	0.0%	-	0.0%	0				
Total	**12**		3,412		**895,112**		**21,408,102**		

4. Geographic Distribution of Loans:

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

Due to the very low volume of HMDA-reportable loans during the evaluation period and since the Bank did not originate any HMDA loans in LMI census tracts, HMDA-reportable loans were not evaluated for this criterion.

a. Small Business Loans:

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

TBB's small business rates of lending in LMI census tracts of 16.7% by number was well below the aggregate's level of 31.8%, as well as the business demographics of its assessment area, while the Bank's dollar value of lending at 33.3% was slightly above the aggregate's level of 28.7%, as well as above the business demographics of its assessment area. The results by number are comparable to the prior evaluation. The Bank did not originate any small business loans in LMI census tracts in 2023 and 2024. Overall, small business lending was minimal throughout the evaluation period with only twelve loans originated over the three-year period. This level of activity demonstrates limited responsiveness to the credit needs within the assessment area including LMI census tracts.

The following table provides a summary of the distribution of the Bank'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									
2022									
Geographic	**Bank**				**Aggregate**				**Bus.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	28,421	10.0%	730,210	10.1%	10.1%
Moderate	2	33.3%	1,137	54.5%	57,774	20.4%	1,313,748	18.2%	20.5%
LMI	2	33.3%	1,137	54.5%	86,195	30.5%	2,043,958	28.3%	30.6%
Middle	3	50.0%	450	21.6%	70,771	25.0%	1,465,038	20.3%	23.9%
Upper	0	0.0%	0	0.0%	112,381	39.7%	3,150,346	43.7%	40.6%
Unknown	1	16.7%	500	24.0%	13,563	4.8%	551,919	7.7%	4.8%
Total	**6**		**2,087**		**282,910**		**7,211,261**		
2023									
Geographic	**Bank**				**Aggregate**				**Bus.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	32,115	11.1%	721,838	10.7%	10.4%
Moderate	0	0.0%	0	0.0%	62,095	21.4%	1,263,186	18.7%	20.7%
LMI	0	0.0%	0	0.0%	94,210	32.5%	1,985,024	29.3%	31.0%
Middle	3	75.0%	500	50.0%	72,505	25.0%	1,402,831	20.7%	23.9%
Upper	0	0.0%	0	0.0%	110,938	38.2%	2,874,306	42.5%	40.3%
Unknown	1	25.0%	500	50.0%	12,618	4.3%	505,441	7.5%	4.8%
Total	**4**		**1,000**		**290,271**		**6,767,602**		
2024									
Geographic	**Bank**				**Aggregate**				**Bus.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	37,482	11.6%	757,781	10.2%	10.5%
Moderate	0	0.0%	0	0.0%	67,129	20.9%	1,362,702	18.3%	20.9%
LMI	0	0.0%	0	0.0%	104,611	32.5%	2,120,483	28.5%	31.4%
Middle	2	100.0%	325	100.0%	79,436	24.7%	1,555,372	20.9%	24.0%
Upper	0	0.0%	0	0.0%	124,257	38.6%	3,198,967	43.1%	39.9%
Unknown	0	0.0%	0	0.0%	13,627	4.2%	554,417	7.5%	4.8%
Total	**2**		**325**		**321,931**		**7,429,239**		
GRAND TOTAL									
Geographic	**Bank**				**Aggregate**				**Bus.Dem.**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	98,018	11.0%	2,209,829	10.3%	
Moderate	2	16.7%	1,137	33.3%	186,998	20.9%	3,939,636	18.4%	
LMI	2	16.7%	1,137	33.3%	285,016	31.8%	6,149,465	28.7%	
Middle	8	66.7%	1,275	37.4%	222,712	24.9%	4,423,241	20.7%	
Upper	-	0.0%	-	0.0%	347,576	38.8%	9,223,619	43.1%	
Unknown	2	16.7%	1,000	29.3%	39,808	4.4%	1,611,777	7.5%	
Total	**12**		**3,412**		**895,112**		**21,408,102**		

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

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

B. Community Development Test: Satisfactory

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

During the evaluation period, TBB originated $33.8 million in new community development loans and still had $63.7 million outstanding from prior evaluation periods. Also, during the evaluation period, TBB made $3.3 million in new qualified investments and had $2.7 million outstanding from prior evaluation periods. TBB made $2,000 in qualified grants.

A more detailed description of TBB's community development activity follows:

1. Community Development Lending:

During the evaluation period, TBB originated $33.8 million in new community development loans, and had $63.7 million outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending over the course of the evaluation period.[1]

The level of new community development loans for this evaluation period (2.75 years) represented a significant decrease from the $81.0 million recorded during the prior evaluation period (5.25 years). On an annualized basis, the current period performance for new community development loans represents an approximate 20% decline from the prior evaluation ($12.3 million vs $15.4 million). The decrease in new community development loans, however, did not significantly impact the Bank's overall community development loan performance since many of the loans were extensions and received credit from the prior period.

Of the total community development loans in dollar value, 47.7% were for revitalization and stabilization efforts in LMI geographies, 25.9% for community services geared toward LMI individuals, 23.8% for economic development in support of small businesses, and 2.7% for affordable housing.

Community Development Loans				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
Purpose	# of Loans	$000	# of Loans	$000
Affordable Housing	3	$2,598	0	$0
Economic Development	7	$1,337	2	$21,805
Community Services	1	$6,000	6	$19,243
Revitalization and Stabilization	3	$23,815	4	$22,611
Total	**14**	**$33,750**	**12**	**$63,659**

Below are highlights of TBB's community development lending:

- TBB extended a $14 million commercial mortgage loan in support of revitalization and stabilization efforts in a moderate-income census tract in Brooklyn. The proceeds from the

[1] For analysis purposes, renewals of lines of credit that occur during the evaluation period are considered new extensions of credit. However, the level of lending is reviewed across the time period of the evaluation.

loan will be used to construct and develop an eight-story two building complex that will include a hotel, medical facilities, and community center facilities.

- TBB extended a $6 million commercial mortgage loan in support of community services in a moderate-income census tract in Queens. The loan was obtained by an organization that operates a homeless shelter through the City of New York Department of Homeless Services. The proceeds from the loan will be used to replace boilers, make updates to plumbing and electric wiring, and repair rooms in the basement damaged by Hurricane Ida.
- TBB refinanced a $1.2 million commercial loan in support of economic development in Manhattan. The loan was obtained by a real estate management business that has two commercial tenants: a seafood restaurant, and a pizzeria restaurant.

2. Qualified Investments:

During the evaluation period, TBB made four new qualified investments totaling $3.3 million and had nine outstanding qualified investments totaling $2.7 million from prior evaluation periods. In addition, TBB made $2,000 in qualified grants. This demonstrated an adequate level of qualified investments over the course of the evaluation period.

The dollar amount of new qualified investments declined significantly from the prior evaluation period of $8.1 million while the number of qualified investments remained relatively the same. On an annualized basis, current period qualified investments declined approximately 22% compared to the prior evaluation ($1.2 million vs $1.5 million). Current evaluation period grants represent an increase from the prior evaluation period.

Qualified Investments and Grants				
	This Evaluation Period		Outstandings from Prior	
CD Investments	# of Inv.	$000	# of Inv.	$000
Affordable Housing	2	1,044	6	1,944
Economic Development	-	-	-	-
Community Services	2	2,249	3	750
Other (Please Specify)	-	-	-	-
Total	4	3,293	9	2,694
CD Grants	# of Grants	$000	Not Applicable	
Affordable Housing	2	1		
Economic Development	-	-		
Community Services	6	1		
Other (Please Specify)	-	-		
Total	8	2		

Below are highlights of TBB's qualified investments and grants:

- The Bank purchased $2 million in Government National Mortgage Association ("Ginnie Mae") multifamily Real Estate Mortgage Investment Conduits pass-through securities that benefit the Bank's assessment area. The securities were collateralized by loans made to a senior housing property compliant with the New York State Department of Health Assisted Living Program.
- The Bank purchased $1 million in Federal National Mortgage Associate ("Fannie Mae") Mortgage-Backed Securities that benefit the Bank's assessment area. The securities were collateralized by loans made to a multifamily property that is a Mitchell-Lama rental project where rents are subsidized under the Section 8 Housing Choice Voucher Program.
- The Bank donated $250 to a not-for-profit organization that provides childcare services to families of migrant agricultural workers.
- The Bank donated $250 to support activities for low-income senior women at a community service center, which is partially funded by the New York City Department for the Aging.

3. Community Development Services:

TBB demonstrated an adequate level of community development services over the course of the evaluation period with 40 instances of qualified community development services. This represents a significant increase from the prior evaluation period during which the Bank performed 15 instances of qualified community development services.

Community Development Services	
Activity Type	**Number of Activities**
On-Going Board & Committee Memberships	-
Technical Assistance	4
Seminars	36
Credit Counseling	-
Other Services	-
Total Community Development Services	40

Below are highlights of TBB's community development services:

- TBB employees met with several campus groups in a local community college to provide information about how to apply for student loans and to develop good banking habits.
- A TBB branch manager provided multiple financial seminars on elder financial exploitation, low-cost banking, and social security scams at a senior center with daily programs for older women. Several attendees had been victims of financial abuse.
- TBB branch managers and other bank employees provided several financial seminars on elderly financial abuse at a local senior center. Bank employees spoke to the attendees explaining what safety measures to take to prevent financial exploitation, such as by phone scams.

- TBB employees volunteered at a nonprofit organization which provides employment services to people newly released from New York prisons and detention facilities. Volunteers from the Bank provided technical assistance to justice-impacted job seekers by helping with their resumes.

Responsiveness to Community Development Needs:

TBB demonstrated an adequate level of responsiveness through community development lending, investments and service needs.

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 receives and reviews quarterly CRA reports which show the Bank's performance in meeting its CRA obligations within the assessment area. Such reports include information on both the Bank's lending and community development activities, including community development investments, grants and services. The Bank maintains a CRA policy and procedures that were last revised in January 2025.

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

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

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

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

The Bank closed one branch in its New York assessment area during the evaluation period, located in a middle-income tract in Goshen, New York.

The Bank operates eight remaining branches in Manhattan, Brooklyn, and Orange counties. All branches have ATMs and ATMs are open 24 hours at the Harriman branch and the Goshen branch. Five of the Bank's branches also offer foreign exchange services. Branch hours are Monday through Friday between 9:00 AM and 4:00 PM.

The table below shows the distribution of TBB's branch offices by the income level of the census tracts in which the branches are located.

Distribution of Branches within the Assessment Area							
County	**N/A #**	**Low #**	**Moderat #**	**Middle #**	**Upper #**	**Total #**	**LMI %**
New York					3	3	0%
Kings		1	2			3	100%
Orange				2		2	0%
Total	**-**	**1**	**2**	**2**	**3**	**8**	38%

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*.

The Bank collaborated with CRA officers of peer Orange County banks, to discuss local initiatives to support the local LMI community. The Bank conducted research to identify community penetration particularly the LMI community, and affordable housing initiatives. Additionally, the Bank provided onsite presentations regarding the Bank's products, services, and financing options to the local community.

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

The Bank promotes its products and services by posting rate sheets and mortgage posters at branch offices and by television advertising regarding mortgage rates on .

5. Other factors that in the judgment of the Superintendent bear upon the extent to which TBB 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) ;
- Nonprofit organizations serving primarily LMI or other community development needs;
- Borrowers to construct or rehabilitate community facilities that are in LMI areas or that primarily serve LMI individuals;

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

Community Development Service

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

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

- Assisting in fund raising, including soliciting or arranging investments.

Community Development Financial Institution ("CDFI")

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

Fair Market Rents ("FMRs")

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

Geography

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

Home Mortgage Disclosure Act ("HMDA")

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

Income Level

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

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

LMI Geographies

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

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 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 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 to promote community development;
- Organizations engaged in affordable housing rehabilitation and construction;
- Organizations, including, for example, small business investment corporations that promote economic development by financing small businesses;
- Facilities that promote community development in LMI areas or LMI individuals, such as youth programs, homeless centers, soup kitchens, health care facilities, battered women's centers, and alcohol and drug recovery centers;
- Projects eligible for low-income housing tax credits;
- State and municipal obligations, such as revenue bonds that specifically support affordable housing or other community development needs;

- Organizations serving LMI housing or other community development needs, such as counseling for credit, home ownership, home maintenance, and other financial services education; and
- Organizations supporting activities essential to the capacity of LMI individuals or geographies to utilize credit to sustain economic development, such as day care operations and job training programs that facilitate access to permanent jobs.

Small Business Loan

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