PUBLIC SUMMARY

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION OF PIERMONT 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 (Piermont Bank] ("PB" 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 PB according to the intermediate small banking institutions performance criteria pursuant to Sections 76.7 and 76.12 of the GRS. The evaluation period included the period January 1, 2021 to December 31, 2024, for both the lending and community development tests. PB 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:

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

PB's average LTD ratio of 67.6% for the evaluation period was below its peer's average LTD ratio of 80.7%.

2. Assessment Area Concentration:

During the evaluation period, PB originated 94.6% by number and 94.8% 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:

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

The evaluation of this criterion was based solely on PB's small business lending, as the Bank's HMDA-reportable loans were made to commercial borrowers.

4. Geographic Distribution of Loans:

PB's origination of loans in census tracts of varying income levels demonstrated a reasonable distribution of lending. HMDA-reportable lending demonstrated a reasonable distribution of lending while small business lending was not evaluated due to limited lending activity as a result of lending restrictions under a Consent Order from which no meaningful conclusion could be reached.

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

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

B. Community Development Test: Satisfactory

PB'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, PB originated $71.8 million in new community development loans and did not have any outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending over the course of the evaluation period.

2. Qualified Investments:

During the evaluation period, PB had no new qualified investments or outstanding investments from prior evaluation periods. PB made $4,300 in qualified grants.

3. Community Development Services

During the evaluation period, PB provided 11 instances of community development services.

4. Responsiveness to Community Development Needs:

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

PB originated or participated in loans that provided affordable housing within its assessment area. The Bank also financed Paycheck Protection Program ("PPP") loans during the COVID-19 pandemic, helping to stabilize businesses and the local economy.

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

Established in 2019, PB is a commercial bank with a sole full-service banking office located in New York City.

PB offers financial services to entrepreneurs, and small to mid-size businesses. PB's focus includes business lending, commercial real estate financing, and venture capital support. Other products and services include, but are not limited to, personal and business checking accounts, money market accounts and certificates of deposit. Cash management products include automated clearing house, merchant services, and wire transfers. International services include foreign exchange and wire transfers.

In its Consolidated Report of Condition (the "Call Report") as of December 31, 2024, filed with the Federal Deposit Insurance Corporation ("FDIC"), PB's reported total assets of $550.7 million, of which $304.1 million were net loans and lease financing receivables. It also reported total deposits of $406.7 million, resulting in an LTD ratio of 74.8%. According to the latest available comparative deposit data as of June 30, 2024, PB obtained a market share of 0.02%, or $424.1 million in a market of $ 2.1 trillion, ranking it 72nd among 118 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, 2021, 2022, 2023, and 2024, Call Reports:

TOTAL GROSS LOANS OUTSTANDING								
	2021		2022		2023		2024	
Loan Type	$000's	%	$000's	%	$000's	%	$000's	%
1-4 Family	6,954	4.4	6,222	1.8	21,973	6.2	18,366	5.9
Commercial & Industrial Loans	12,357	7.9	9,335	2.7	12,342	3.5	20,525	6.6
Multifamily Mortgages	72,330	46.1	226,967	66.4	255,877	71.8	224,211	72.5
Commercial Mortgage Loan	65,304	41.6	99,344	29.1	66,000	18.5	46,124	14.9
Total Gross Loans	156,945		341,868		356,192		309,226	

As illustrated in the above table, PB is primarily a real estate lender, with 93.4% of total gross loans being mortgages, with 72.5% being multifamily mortgages as of December 31, 2024.

During the evaluation period, various challenges affected Piermont's ability to meet the credit needs of its assessment area. In February 2024, Piermont entered into Consent Orders with the Department and the FDIC, which placed limits on asset growth and loan concentration. These restrictions limited lending capacity and slowed loan production, particularly in 2023 and 2024.

Additionally, the effects of the COVID-19 pandemic impacted economic conditions and lending demand during portions of the evaluation period. As a relatively new institution with limited financial resources and operating history, the Bank faced additional constraints in expanding

lending activity compared to more established institutions. These factors were considered in evaluating the Bank's overall lending performance.

B. Assessment Area

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

There are 2,728 census tracts in the Bank's assessment area, of which 302 are low-income, 615 are moderate-income, 880 are middle-income, 774 are upper-income, and 157 are tracts with no income indicated.

The total number of census tracts increased from 2,564 during the prior evaluation period due to changes resulting from the 2020 U.S. Census. Results of the 2020 U.S. Census also resulted in a slight decrease in the percentage of LMI census tracts- 33.6% at the current evaluation, compared to 35.7% at the prior evaluation.

Assessment Area Census Tracts by Income Level

County	N/A	Low	Mod	Middle	Upper	Total	LMI %
Bronx	21	129	121	65	25	361	69.3
Kings	46	91	235	263	170	805	40.5
Nassau	9	10	31	146	90	286	14.3
New York	23	36	44	32	175	310	25.8
Queens	52	26	157	325	165	725	25.2
Westchester	6	10	27	49	149	241	15.4
Total	157	302	615	880	774	2,728	33.6

B. Demographic & Economic Data

The assessment area had a population of 10,708,674 during the evaluation period. Approximately 14.8% of the population was over the age of 65 and 22.3% was under the age of 16.

Of the 2,368,886 families in the assessment area, 27.3% were low-income, 15.7% were moderate-income, 16.6% were middle-income and 40.4% were upper-income. There were 3,827,983 households in the assessment area, of which 15.4% had income below the poverty level and 4% were on public assistance.

The weighted average median family income in the assessment area was $100,906.

There were 4,188,265 housing units within the assessment area, of which 44.4% were one-to-four family units and 55.4% were multifamily units. A majority (55.2%) of the housing units were rental-occupied units while 36.2% were owner-occupied units and 8.6% were vacant housing units.

Of the total 2,312,705 rental-occupied units, 48.2% were in LMI census tracts while 50.3% were in middle- and upper-income census tracts. The weighted average monthly gross rent was $1,606.

Of the 1,515,278 owner-occupied housing units, 17% were in LMI census tracts while 82.4% were in middle- and upper-income census tracts. The median age of the housing stock was 76 years, and the weighted average median home value in the assessment area was $660,159.

There were 1,896,078 non-farm businesses in the assessment area. Of these, 93.8% were businesses with reported revenues of less than or equal to $1 million, 2.4% 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 at 31.5%, Finance, Insurance and Real Estate at 10.4% and Retail Trade at 10.2%; 34.7% of businesses in the assessment area were not classified.

According to New York State Department of Labor data, the average total unemployment rate for New York State during the evaluation period was 5.0%. For the same period, Bronx County had the highest average total unemployment rate of 8.9% among all the counties in the assessment area and higher than New York statewide. Annual average unemployment rates were highest in 2021, attributed mainly due to the negative impacts of the COVID-19 pandemic. Subsequent years saw a decline from the 2021 highs, as the economy recovered and business conditions improved.

Assessment Area Unemployment Rate							
	Statewide(NY)	Bronx	Kings	Nassau	Queens	Westchester	New York
2021	7.1	14.0	10.0	4.7	9.8	4.7	8.2
2022	4.3	8.0	5.7	3.0	5.3	3.0	4.8
2023	4.1	6.7	5.1	3.1	4.5	3.0	4.5
2024	4.3	6.9	5.4	3.3	4.7	3.3	4.8
Avg. of Years	5.0	8.9	6.6	3.5	6.1	3.5	5.6

D. Community Information

DFS examiners conducted community contact interviews with representatives from two nonprofit organizations, to identify credit and economic challenges within the assessment area.

The first interview with the Chief Executive Officer ("CEO") of a Westchester County housing nonprofit organization serving LMI individuals, highlighted the challenges related to urban redevelopment and displacement of existing residents. The representative stated that developments marketed as affordable housing often do not serve LMI populations in practice and emphasized the need for more inclusive economic development strategies, including expanded support for small businesses and job creation.

The second interview, with the Executive Director of a fair housing non-profit organization serving Nassau and Suffolk counties, identified challenges related to concentrated poverty, housing discrimination, and limited access to financial services in communities of color. Rising housing costs and restrictive zoning have reduced the availability of affordable housing and contributed to

unsafe housing conditions. The representative identified greater support for hosing counseling and education as a key need in the area. The representative also cited limited engagement by financial institutions, including the lack of full-service branches and insufficient access to credit products in low-income communities, highlighting the need for participation by institutions in addressing housing and economic disparities in the assessment area.

IV - PERFORMANCE STANDARDS AND ASSESSMENT FACTORS

The Department evaluated PB 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. PB submitted bank-specific information both as part of the Evaluation process and in its 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 2021, 2022, 2023 and 2024 for both lending and community development activities.

Examiners considered PB's HMDA-reportable and small business lending activities in evaluating factor (2) of the lending test noted above. Only small business lending was considered for factor (3) and only HMDA-reportable lending was rated for factor (4) as noted above.

In its prior Community Reinvestment Act Performance Evaluation as of July 31, 2020, DFS assigned PB a rating of "2" or a satisfactory compliance with regulatory standards.

CRA Rating: Satisfactory

A. Lending Test: Satisfactory

PB's HMDA-reportable and small business lending activities were reasonable considering PB'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:

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

PB's average LTD ratio of 67.6% was below its peer's ratio of 80.7%. The lower LTD ratio is attributable to deposit growth during the COVID-19 pandemic, when deposits increased at a faster pace than loan demand. The Bank's LTD ratio improved significantly in the second half of the evaluation period.

The table below shows PB's LTD ratios in comparison with the peer group's ratios for the 16 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	2024 Q1	2024 Q2	2024 Q3	2024 Q4	Avg.
Bank	44.8	49.4	46.1	49.5	50.3	59.8	72.0	89.1	77.6	84.6	80.0	77.9	70.5	80.2	74.5	74.8	67.6
Peer	90.0	85.9	78.9	75.7	72.6	76.9	80.0	82.0	82.6	85.8	84.6	81.7	77.8	79.1	78.6	78.4	80.7

2. Assessment Area Concentration:

During the evaluation period, PB originated 94.6% by number and 94.8% 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, PB originated 95.6% by number and 95.2% by dollar value of its HMDA-reportable loans within the assessment area.

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

b. Small Business Loans:

During the evaluation period, PB originated 90.9% by number and 79.5% by dollar value of its small business loans within the assessment area.

This majority of lending inside PB'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	15	88.2%	2	11.8%	17	46,606	86.5%	7,245	13.5%	53,851
2022	62	100.0%	0	0.0%	62	219,071	100.0%	0	0.0%	219,071
2023	9	81.8%	2	18.2%	11	22,075	75.2%	7,290	24.8%	29,365
2024	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%	0
Subtotal	86	95.6%	4	4.4%	90	287,752	95.2%	14,535	4.8%	302,287
Small Business										
2021	19	95.0%	1	5.0%	20	4,767	90.1%	522	9.9%	5,289
2022	1	50.0%	1	50.0%	2	835	47.6%	920	52.4%	1,755
2023	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%	0
2024	0	0.0%	0	0.0%	0	0	0.0%	0	0.0%	0
Subtotal	20	90.9%	2	9.1%	22	5,602	79.5%	1,442	20.5%	7,044
Grand Total	106	94.6%	6	5.4%	112	293,354	94.8%	15,977	5.2%	309,331

3. Distribution by Borrower Characteristics:

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

The evaluation of this criterion was based solely on PB's small business lending, as the Bank's HMDA-reportable loans were made to commercial borrowers.

a. Small Business Loans:

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

The Bank's small business lending analysis is based on lending activity in 2021 and 2022, as no small business loans were originated in 2023 and 2024. The absence of lending in the last two years of the evaluation period is primarily attributable to lending restrictions imposed under the Consent Order, which limited the Bank's ability to originate new loans.

PB's average rates of lending to small businesses with revenue of $1 million or less were 100.0% both by number and dollar value of loans, in 2021 and 2022, well above the aggregate's lending rates of 43.0% and 23.7% respectively and consistent with the proportion of small businesses within the assessment area.

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

Distribution of Small Business Lending by Revenue Size of Business									
2021									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	19	100.0%	4,767	100.0%	156,154	37.7%	2,772	18.5%	91.4%
Rev. > $1MM	-	0.0%	0	0.0%					3.4%
Rev. Unknown	-	0.0%	0	0.0%					5.2%
Total	**19**		**4,767**		**413,890**		**14,990**		
2022									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	1	100.0%	835	100.0%	179,511	48.9%	2,977	32.0%	91.8%
Rev. > $1MM	-	0.0%	0	0.0%					3.2%
Rev. Unknown	-	0.0%	0	0.0%					5.1%
Total	**1**		**835**		**367,199**		**9,313**		
GRAND TOTAL									
Rev. Size	**Bank**				**Aggregate**				**Bus.Dem.**
	#	%	$000's	%	#	%	$000's	%	%
Rev. < = $1MM	20	100.0%	5,602	100.0%	335,665	43.0%	5,749	23.7%	
Rev. > $1MM	-	0.0%	-	0.0%	-		-		
Rev. Unknown	-	0.0%	-	0.0%	-		-		
Total	20		5,602		781,089		24,303		

4. Geographic Distribution of Loans:

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

HMDA-reportable lending demonstrated a reasonable distribution of lending, while small business lending was not evaluated for this criterion due to limited lending activity as a result of lending restrictions under the Consent Order.

a. HMDA-Reportable Loans:

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

During the evaluation period, the Bank originated 50.0% of loans by number and 50.5% by dollar value of loans in LMI census tracts, which were well above the aggregate rates of 16.3% and 20.5%, respectively.

While there was no HMDA- reportable lending in low-income census tracts in 2021 or 2024, the Bank demonstrated meaningful lending activity in moderate-income census tracts throughout the evaluation period, with PB's lending activity exceeding aggregate rate of lending and demographic benchmarks.

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

Distribution of HMDA-Reportable Lending by Geographic Income of the Census Tract									
2021									
Geographic	**Bank**				**Aggregate**				**RO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	0	0.0%	0	0.0%	5,700	3.2%	6,843,940	5.6%	19.8%
Moderate	9	60.0%	28,516	61.2%	22,530	12.6%	18,617,550	15.1%	31.1%
LMI	9	60.0%	28,516	61.2%	28,230	15.8%	25,461,490	20.6%	50.9%
Middle	5	33.3%	14,125	30.3%	60,887	34.1%	30,949,145	25.1%	23.0%
Upper	1	6.7%	3,965	8.5%	88,919	49.9%	66,717,445	54.1%	25.9%
Unknown	0	0.0%	0	0.0%	303	0.2%	172,125	0.1%	0.3%
Total	**15**		**46,606**		**178,339**		**123,300,205**		
2022									
Geographic	**Bank**				**Aggregate**				**RO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	9	14.5%	39,364	18.0%	3,727	3.5%	4,926,585	5.3%	20.1%
Moderate	21	33.9%	64,290	29.3%	13,873	13.2%	13,334,345	14.3%	28.1%
LMI	30	48.4%	103,654	47.3%	17,600	16.7%	18,260,930	19.6%	48.2%
Middle	19	30.6%	68,187	31.1%	35,816	34.0%	21,684,060	23.3%	24.8%
Upper	8	12.9%	31,586	14.4%	51,240	48.6%	52,122,320	56.0%	25.6%
Unknown	5	8.1%	15,644	7.1%	788	0.7%	926,710	1.0%	1.5%
Total	**62**		**219,071**		**105,444**		**92,994,020**		
2023									
Geographic	**Bank**				**Aggregate**				**RO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	1	11.1%	2,050	9.3%	2,068	3.5%	3,400,850	7.3%	20.1%
Moderate	3	33.3%	10,965	49.7%	7,980	13.4%	6,796,540	14.6%	28.1%
LMI	4	44.4%	13,015	59.0%	10,048	16.8%	10,197,390	22.0%	48.2%
Middle	3	33.3%	5,540	25.1%	21,859	36.6%	12,293,665	26.5%	24.8%
Upper	2	22.2%	3,520	15.9%	27,415	45.9%	23,579,105	50.8%	25.6%
Unknown	0	0.0%	0	0.0%	401	0.7%	379,075	0.8%	1.5%
Total	**9**		**22,075**		**59,723**		**46,449,235**		
GRAND TOTAL									
Geographic	**Bank**				**Aggregate**				**OO HUs**
Income	#	%	$000's	%	#	%	$000's	%	%
Low	10	11.6%	41,414	14.4%	11495	3.3%	15,171,375	5.8%	
Moderate	33	38.4%	103,771	36.1%	44,383	12.9%	38,748,435	14.7%	
LMI	43	50.0%	145,185	50.5%	55,878	16.3%	53,919,810	20.5%	
Middle	27	31.4%	87,852	30.5%	118,562	34.5%	64,926,870	24.7%	
Upper	11	12.8%	39,071	13.6%	167,574	48.8%	142,418,870	54.2%	
Unknown	5	5.8%	15,644	5.4%	1,492	0.4%	1,477,910	0.6%	
Total	**86**		**287,752**		**343,506**		**262,743,460**		

b. Small Business Loans:

The distribution of PB's small business loans among census tracts of varying income levels was not rated due to the limited number of lending activities which would not provide a meaningful conclusion.

The analysis was based primarily on lending activity in 2021 and 2022, as no small business loans were originated in 2023 or 2024 due to the restrictions imposed under the Consent Order. During

the evaluation period, PB originated 20 small business loans, which limits the assessment of this criterion.

While the Bank originated one loan in 2022 in a moderate-income census tract, the overall activity is insufficient to assess performance.

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

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

B. Community Development Test: Satisfactory

PB's community development performance overall demonstrated an adequate responsiveness to the community development needs of its assessment area through community development loans, qualified investments, and community development services, considering PB's capacity, and the need for and availability of opportunities for community development in its assessment area. The overall rating is primarily driven by PB's excellent community development lending performance.

During the evaluation period, PB originated $71.8 million in new community development loans and did not have any loans outstanding from prior evaluation periods. PB had no new or outstanding qualified investments from prior evaluation periods. PB made $4,300 in qualified grants.

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

1. Community Development Lending:

During the evaluation period, PB originated $71.8 million in new community development loans and did not have any outstanding from prior evaluation periods. This demonstrated an excellent level of community development lending over the course of the evaluation period.

PB's community development loans supported providing affordable housing, which were identified as a critical need in the assessment area.

Community Development Loans				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
Purpose	# of Loans	$000	# of Loans	$000
Affordable Housing	19	30,260	0	0
Economic Development	0	0	0	0
Community Services	0	0	0	0
Revitilization/Stablization	5	41,546	0	0
Total	24	71,806	0	0

Below are highlights of PB's community development lending.

- PB approved a line of credit and a bridge loan totaling $8,900,000 to a 501(c)(3) not-for-profit organization. The proceeds were used for additional construction and renovation to a school located in a low-income area in New York County.

  PB refinanced an existing $2.3 million mortgage loan secured by two side by side multi-family buildings in Kings County. All residential rental units has rents below the U.S. Department of Housing and Urban Development's fair market rents.

2. Qualified Investments:

During the evaluation period, PB had no new qualified investments and did not have any outstanding investments from prior evaluation periods. PB made $4,300 in qualified grants.

Qualified Investments and Grants				
	This Evaluation Period		Outstandings from Prior Evaluation Periods	
CD Investments	# of Inv.	$000	# of Inv.	$000
Affordable Housing				
Economic Development				
Community Services				
Other (Please Specify)				
Total	0	$ -	0	0
CD Grants	# of Grants	$000	Not Applicable	
Affordable Housing	1	$ 600		
Economic Development				
Community Services	2	$ 3,700		
Other (Please Specify)				
Total	3	$ 4,300		

Below is a highlight of PB's qualified grants.

- PB provided a grant totaling $3,500 to a nonprofit professional organization dedicated to promoting sustainable homeownership opportunities and providing information on affordable housing opportunities in New York.

3. Community Development Services:

During the evaluation period, PB provided 11 instances of qualified community development services.

Community Development Services	
Activity Type	**Number of Activities**
On-Going Board & Committee Memberships	6
Technical Assistance	0
Seminars	5
Credit Counseling	0
Other Services	0
Total Community Development Services	11

Below are highlights of PB's community development services.

- A member of the Bank's Board serves on the Board of an organization that assists small businesses in getting access to capital and helps to develop financial tools. The organization serves LMI communities.

- The Chief Executive Officer served on a New York State committee whose objective is to address the advancement of women in leadership in financial services.

- PB's Chief Banking Officer participated in one of the Bank's Young Entrepreneur Leadership Program seminars with the aim of promoting business leadership and entrepreneurship training for young entrepreneurs. Minority women also participated in this program.

Responsiveness to Community Development Needs:

PB demonstrated an adequate level of responsiveness to community development needs, mainly through its community development lending activities.

PB originated or participated in loans that provided affordable housing, which is a critical need in its assessment area. The Bank also financed Paycheck Protection Program ("PPP") loans during the COVID-19 pandemic, helping to stabilize businesses and the local economy.

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") Risk Committee oversees the Bank's CRA compliance program. The Board annually reviews and approves the CRA policy. The CRA policy was last reviewed and approved by the Board in February 2025. The Enterprise Risk Management committee and the CRA Officer provide the CRA self-assessment report annually to the Board.

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

- *Evidence of prohibited discriminatory or other illegal credit practices.*
  DFS examiners did not note evidence by PB of prohibited discriminatory or other illegal practices.

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

The Bank has not opened or closed any branches since the prior evaluation and operates one branch at its headquarters.

Distribution of Branches within the Assessment Area							
County	**N/A #**	**Low #**	**Moderate #**	**Middle #**	**Upper #**	**Total #**	**LMI %**
New York	1					1	0%
						-	
Total	**1**	-	-	-	-	**1**	0%

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*.

PB ascertains credit needs of its assessment area through ongoing engagement with community organizations. These efforts include partnering with organizations that support small businesses, participating in small business-related events.
In addition, senior management and staff maintain active involvement in community and professional organizations, including leadership roles, which provides the Bank with insight into local economic conditions and credit needs.

- *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*

PB collaborates with trade associations and organizations to expand outreach and support its target market. Marketing initiatives include participation in industry events, digital outreach through the Bank's website, and selective sponsorship of industry specific media content.

5. Other factors that in the judgment of the Superintendent bear upon the extent to which PB 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 an 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 an 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 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) most 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 businesses 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.