

# **PUBLIC DISCLOSURE**

November 3, 2025

## **COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION**

Metropolitan Commercial Bank  
RSSD No. 2705895

99 Park Avenue  
New York, New York 10016

Federal Reserve Bank of New York

33 Liberty Street  
New York, New York 10045

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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**INSTITUTION'S CRA RATING**

**THIS INSTITUTION IS RATED: Satisfactory**

The following table indicates the performance level of Metropolitan Commercial Bank (MCB or the bank) with respect to the Lending, Investment, and Service Tests.

| PERFORMANCE LEVELS        | PERFORMANCE TESTS |                 |              |
|---------------------------|-------------------|-----------------|--------------|
|                           | Lending Test*     | Investment Test | Service Test |
| Outstanding               |                   |                 |              |
| High Satisfactory         |                   | X               | X            |
| Low Satisfactory          | X                 |                 |              |
| Needs to Improve          |                   |                 |              |
| Substantial Noncompliance |                   |                 |              |

*\* The Lending Test is weighted more heavily than the Investment Test and Service Test in determining the overall rating.*

**SUMMARY OF MAJOR FACTORS SUPPORTING RATINGS**

The major factors supporting the bank's rating include:

**LENDING TEST**

- Lending levels reflected adequate responsiveness to the credit needs in the assessment area.
- An adequate percentage of loans were made in the bank's assessment area.
- The geographic distribution of loans reflected poor penetration throughout the assessment area.
- The distribution of borrowers reflected, given the product lines offered by the bank, adequate penetration among retail customers of different income levels and among business customers of different sizes.
- The bank exhibited an adequate record of serving the credit needs of the most economically disadvantaged area(s) of its assessment area(s), low-income individuals, and/or very small businesses, consistent with safe and sound banking practices.
- The bank was a leader in making community development loans.
- The bank made limited use of innovative and/or flexible lending practices in order to serve assessment area credit needs.

### **INVESTMENT TEST**

- The bank had a significant level of qualified community development investment and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors.
- The bank exhibited adequate responsiveness to credit and community economic development needs.
- The bank made significant use of innovative and/or complex investments to support community development initiatives.

### **SERVICE TEST**

- Delivery systems were reasonably accessible to essentially all portions of the institution's assessment area.
- To the extent changes have been made, the bank's opening and closing of branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income (LMI) geographies and/or to LMI individuals.
- Services, including business hours, did not vary in a way that inconvenienced certain portions of the assessment area, particularly LMI geographies and/or individuals.
- The bank was a leader in providing community development services.

**INSTITUTION**

**DESCRIPTION OF INSTITUTION**

MCB is a full-service commercial bank headquartered in New York City (NYC), New York (NY) with total assets of \$7.6 billion as of March 31, 2025. The bank is a wholly owned subsidiary of Metropolitan Bank Holding Corporation, a publicly owned financial holding company. MCB operates 6 full-service branches, including its main office, 17 automated teller machines (ATMs), all of which are located in NY. The bank also operates two loan production offices, one in New Jersey and one in Florida.

The bank provides a broad range of deposit and loan products and services to small businesses, middle-market enterprises, public entities, and affluent individuals. Deposit products include personal and commercial checking and savings accounts. The bank’s primary lending products are commercial real estate loans, including multifamily loans, and commercial & industrial loans. MCB also offers alternative delivery services, through its ATM network and internet banking platform.

Based on the March 31, 2025, Federal Financial Institutions Examination Council's (FFIEC) Consolidated Report of Condition and Income (Call Report), MCB’s loan portfolio by dollar volume consisted of a mix of nonfarm nonresidential and commercial and industrial loans as summarized in the following table.

| <b>Loan Portfolio</b>                                 |                  |              |
|---|------------------|--------------|
| <b>Loan Type</b>                                      | <b>\$(000's)</b> | <b>%</b>     |
| 1-4 Family Residential Real Estate                    | 155,696          | 2.5          |
| Construction, Land Development, and Other Land Loans  | 450,349          | 7.1          |
| Multifamily (5 or more units) Residential Real Estate | 388,734          | 6.1          |
| Consumer  | 12,947           | 0.2          |
| Commercial & Industrial                               | 1,044,725        | 16.5         |
| Nonfarm Nonresidential Secured                        | 4,289,671        | 67.6         |
| <b>Total Loans</b>                                    | <b>6,342,122</b> | <b>100.0</b> |

*Source: Call Report as of March 31, 2025*

Based on the March 31, 2025, Uniform Bank Performance Report (UBPR), MCB’s deposit portfolio by dollar volume was comprised primarily of demand deposit accounts and brokered deposits as summarized in the following table.

| <b>Deposit Portfolio</b>                  |                  |              |
|---|------------------|--------------|
| <b>Deposit Type</b>                       | <b>\$(000's)</b> | <b>%</b>     |
| Demand Deposits                           | 4,123,638        | 41.5         |
| All NOW and ATS                           | 7,676            | 0.1          |
| Money Market Deposits                     | 1,600,860        | 16.1         |
| Other Savings Deposits                    | 660,108          | 6.6          |
| Time Deposits at or below Insurance Limit | 107,328          | 1.1          |
| Time Deposits Above Insurance Limit       | 26,530           | 0.3          |
| Brokered Deposits                         | 3,408,365        | 34.3         |
| <b>Total Deposits</b>                     | <b>9,934,505</b> | <b>100.0</b> |

*Source: UBPR as of March 31, 2025*

There were no financial or legal factors that would prevent the bank from fulfilling its responsibilities under the CRA.

### **Previous Public Evaluation**

The Federal Reserve Bank of New York assigned a rating of Satisfactory, at the prior CRA Performance Evaluation dated August 1, 2022, using the FFIEC Large Institution CRA Examination Procedures. The Lending Test was rated Low Satisfactory and the Investment and the Service Tests were rated High Satisfactory.

### **DESCRIPTION OF ASSESSMENT AREA**

The CRA requires each financial institution to define one or more assessment areas within which examiners will evaluate its CRA performance. MCB delineated one assessment area. The assessment area included two contiguous metropolitan divisions (MD): MD 35614 (New York-Jersey City-White Plains, NY-NJ) and a portion of MD 35004 (Nassau-Suffolk County, NY). Within MD 35614, the bank's assessment area included the entirety of five counties: Bronx, Kings, New York, Queens, and Richmond. Within MD 35004, the bank's assessment area included the entirety of Nassau County.

Effective July 21, 2023, pursuant to Office of Management and Budget Bulletin 23-01, the name of metropolitan statistical area (MSA) 35620 was changed from New York-Newark-Jersey City, NY-NJ-PA to New York-Newark-Jersey City, NY-NJ. The name change did not affect the delineation of the bank's assessment area nor did the delineation change since the prior CRA examination.

The bank's assessment area was in compliance with the requirements of Section 228.41 of Regulation BB. A map illustrating the bank's assessment area is in Appendix A.

### **SCOPE OF EVALUATION**

#### **Procedures**

To assess MCB's CRA performance, examiners applied the FFIEC's Large Institution CRA Examination Procedures, which includes the Lending Test, the Investment Test, and the Service Test. The evaluation considered the performance context, including the bank's asset size, financial condition, market competition, assessment area demographics, and credit and community development needs.

#### **Products**

During this evaluation, home mortgage and small business loans were analyzed as these loan types represented the major product lines based on a review of bank records, business strategy, and loan portfolio composition. Consumer and small farm loans were excluded from the evaluation as they did not represent a major product line or provide material support for conclusions or ratings.

The bank was not required to collect and report HMDA data throughout the evaluation period. Examiners utilized mortgage data that the bank voluntarily collected and provided. For the Lending Test, home mortgage loans included home purchase, home refinance, and home improvement, which examiners combined and analyzed collectively, as individually, the loan volumes were insufficient to provide meaningful analysis. Examiners verified the integrity of the bank's provided home mortgage data from January 1, 2021 through December 31, 2024.

Small business loans included commercial real estate loans and commercial and industrial loans in amounts of \$1.0 million or less. Examiners verified the integrity of the bank's CRA-reported data from January 1, 2021 through December 31, 2024.

Examiners also analyzed community development loans, investments, and services. Multifamily loans qualifying as community development loans were also considered in the evaluation of community development lending.

### **Evaluation Period**

Examiners reviewed the bank's home mortgage and small business loans originated between January 1, 2021 through December 31, 2024. The evaluation of the bank's community development loans, qualified investments, philanthropic grants, and community development services included all qualified activities from January 1, 2022 through December 31, 2024. The Investment Test also included the current book value of any qualified investments outstanding from the prior evaluation. The Small Business Administration's (SBA) Paycheck Protection Program (PPP) loans less than or equal to \$1.0 million that were reported on or after January 1, 2021 on the small business loan register were considered in this CRA evaluation.

### **Lending Analysis**

Under the Lending Test, geographic and borrower distribution analyses were based on loan activity inside the assessment area. The bank's home mortgage lending was compared to the 2015 American Community Survey (2015 ACS) demographic data for 2021, to the U.S. Department of Commerce Bureau of the Census 2020 (2020 U.S. Census) for 2021, 2022, 2023, and 2024. The bank's record of small business lending was compared to 2021, 2022, 2023, and 2024 Dun & Bradstreet (D&B) demographic data and aggregate small business loan data for 2021, 2022, 2023, and 2024. The bank's home mortgage data was not compared to aggregate performance as MCB was not required to report home mortgage loans. The bank's small business data was compared to aggregate lenders, which included all lenders required to report CRA-reportable lending data within the assessment area. For retail services, the bank's branch distribution analysis was conducted using data as of December 31, 2024.

To evaluate the geographic distribution, the proportion of home mortgage loan originations located in LMI geographies was compared to the proportion of owner-occupied housing units located in LMI geographies. For small business loans, the analysis compared the proportion of loan originations located in LMI geographies with the proportion of businesses located in LMI geographies, based on D&B data. Performance in LMI geographies were analyzed separately. The lending analysis also considered lending opportunities in LMI census tracts as indicated by demographic data.

The borrower distribution of loans was based on the bank's small business lending performance. There was insufficient information available to perform a meaningful home mortgage analysis by borrower profile because a substantial portion of the loans during the evaluation period had unknown borrower income. To analyze the distribution of small business lending by borrower profile, the bank's proportion of loans to businesses with gross annual revenues (GAR) of \$1.0 million or less, based on D&B data, were compared to the proportion of all such businesses located in the assessment area.

### **Community Development Activity Analysis**

Community development activities were reviewed to determine whether activities had community development as a primary purpose and whether the community development activities benefited the bank's assessment area or the broader statewide or regional area (BSRA) that included the assessment area if the institution met the needs of its existing assessment area. The eligibility of a loan, investment, or service as a community development activity was based on demographic information at the time the community development activity was undertaken. Qualified community development activities were analyzed from both the quantitative and qualitative perspectives to understand the volume of activity impacting a particular

assessment area, the innovativeness of those activities, and the responsiveness to local community development and credit needs. When appropriate, similarly-situated peer comparisons were conducted using annualized metrics to gauge the relative performance of the bank in its assessment area.

### **Deriving Overall Conclusions**

Examiners conducted a full scope review of the assessment area. When evaluating the bank's performance under the Lending Test, small business lending was given greater weight than home mortgage lending as it comprised a larger portion of the total loan volume by number. Demographic and economic information, which also impacted the bank's performance context, is discussed in detail.

## **PERFORMANCE CONTEXT**

The following demographic and economic information were used to describe this assessment area and to evaluate the context in which the bank operated. The information was obtained from publicly available sources, including the 2015 ACS, 2020 U.S. Census, Bureau of Labor Statistics (BLS), D&B, FFIEC, and U.S. Department of Housing and Urban Development (HUD).

### **Demographic Characteristics**

The assessment area included Bronx, Kings, NY, Queens, Richmond, and Nassau counties. According to the 2020 U.S. Census, the population of this assessment area was 10,199,964. The assessment area consisted of 2,613 census tracts, of which 295 or 11.3% were low-income, 601 or 23.0% were moderate-income, 873 or 33.4% were middle-income, 686 or 26.3% were upper-income, and 158 or 6.0% were of unknown-income.

### **Income Characteristics**

Based on the 2020 U.S. Census, the assessment area had 2,248,942 families, of which 28.2% were low-income (12.4% of which were below the poverty level), 16.0% were moderate-income, 16.9% were middle-income, and 38.9% were upper-income. This data suggested that it would be difficult for LMI families to qualify for a home mortgage loan or support a monthly mortgage payment, especially considering the area's median housing value of \$602,327. Therefore, lenders may have faced challenges originating loans to LMI borrowers.

The table below depicts the MFI's for this assessment area.

| <b>Median Family Income</b>                         |                 |                 |                 |
|---|-----------------|-----------------|-----------------|
| <b>Area</b>   | <b>2015 MFI</b> | <b>2020 MFI</b> | <b>% Change</b> |
| Assessment Area                                     | \$72,141        | \$83,542        | 15.8            |
| Bronx County, NY                                    | \$42,083        | \$49,624        | 17.9            |
| Kings County, NY                                    | \$58,789        | \$71,985        | 22.4            |
| New York County, NY                                 | \$97,557        | \$114,659       | 17.5            |
| Queens County, NY                                   | \$70,444        | \$81,193        | 15.3            |
| Richmond County, NY                                 | \$93,730        | \$102,502       | 9.4             |
| Nassau County, NY                                   | \$125,277       | \$139,459       | 11.3            |
| MD 35614 (New York-Jersey City-White Plains, NY-NJ) | \$73,814        | \$85,483        | 15.8            |
| MD 35004 (Nassau-Suffolk County, NY)                | \$118,209       | \$130,301       | 10.2            |
| State of NY   | \$78,570        | \$87,270        | 11.1            |

*Source: 2015 ACS and 2020 U.S. Census; MFIs have been inflation-adjusted and expressed in 2020 dollars.*

**Housing Characteristics**

Based on the 2020 U.S. Census, this assessment area had 3,992,833 housing units, of which 35.4% were owner-occupied, 55.8% were rental, and 8.8% were vacant. Of the total housing units, 13.2% were located in low-income census tracts, 22.9% in moderate-income census tracts, 30.9% in middle-income census tracts, 31.9% in upper-income census tracts, and 1.1% in unknown-income census tracts. In low-income census tracts, 7.9% of housing units were owner-occupied, 86.3% were rental units, and 5.7% were vacant. In moderate-income census tracts, 23.2% of housing units were owner-occupied, 69.3% were rental units, and 7.5% were vacant. This data suggested that there was a greater opportunity to rent than to own housing units in LMI geographies in this assessment area, which may have presented limited opportunities for lenders to originate home mortgage loans in these geographies.

The median age of housing stock in this assessment area was 61 years old, with 47.9% of the stock built before 1950. The median age of housing stock was 61 years in low-income census tracts and in moderate-income census tracts. The median housing value in this assessment area was \$602,327 with an affordability ratio of 12.0. The median gross rent in the assessment area was \$1,502 per month.

See the table below for more details.

| <b>Housing Characteristics</b>                      |                                  |                                 |                               |
|---|----------------------------------|---------------------------------|-------------------------------|
| <b>Geographic Area</b>                              | <b>2020 Median Housing Value</b> | <b>2020 Affordability Ratio</b> | <b>2020 Median Gross Rent</b> |
| Assessment Area                                     | \$602,327                        | 12.0                            | \$1,502                       |
| Bronx County, NY                                    | \$427,900                        | 9.8                             | \$1,247                       |
| Kings County, NY                                    | \$734,800                        | 8.7                             | \$1,483                       |
| New York County, NY                                 | \$1,024,500                      | 8.8                             | \$1,787                       |
| Queens County, NY                                   | \$575,600                        | 12.5                            | \$1,629                       |
| Richmond County, NY                                 | \$546,100                        | 15.6                            | \$1,379                       |
| Nassau County, NY                                   | \$524,400                        | 22.9                            | \$1,831                       |
| MD 35614 (New York-Jersey City-White Plains, NY-NJ) | \$553,158                        | 13.3                            | \$1,486                       |
| MD 35004 (Nassau-Suffolk County, NY)                | \$463,098                        | 24.1                            | \$1,819                       |
| State of NY   | \$325,000                        | 21.9                            | \$1,315                       |
| <i>Source: 2020 U.S. Census</i>                     |                                  |                                 |                               |

**Housing Cost Burden**

Housing costs were relatively expensive in this assessment area, which indicated that affordable housing for LMI individuals and families continued to be a challenge. According to HUD, within this assessment area, 47.7% of all rental households had rental costs that exceeded 30.0% of their incomes, 76.5% of low-income rental households had rental costs that exceeded 30.0% of their income, and 46.0% of moderate-income rental households had rental costs that exceeded 30.0% of their income.

Within this assessment area, 32.3% of homeowners had housing costs that exceeded 30.0% of their incomes, 74.8% of low-income homeowners had housing costs that exceeded 30.0% of their income, and 50.4% of moderate-income homeowners had housing costs that exceeded 30.0% of their income.

See the table below for more details.

| <b>Housing Cost Burden*</b>                         |                            |                        |                    |                           |                        |                   |
|---|----------------------------|------------------------|--------------------|---------------------------|------------------------|-------------------|
| <b>Area</b>   | <b>Cost Burden-Renters</b> |                        |                    | <b>Cost Burden-Owners</b> |                        |                   |
|   | <b>Low Income</b>          | <b>Moderate Income</b> | <b>All Renters</b> | <b>Low Income</b>         | <b>Moderate Income</b> | <b>All Owners</b> |
| Assessment Area                                     | 76.5%                      | 46.0%                  | 47.7%              | 74.8%                     | 50.4%                  | 32.3%             |
| Bronx County, NY                                    | 76.9%                      | 32.7%                  | 55.1%              | 65.2%                     | 44.3%                  | 34.1%             |
| Kings County, NY                                    | 76.7%                      | 45.3%                  | 48.0%              | 76.0%                     | 50.1%                  | 35.1%             |
| New York County, NY                                 | 72.0%                      | 51.5%                  | 41.8%              | 62.5%                     | 47.0%                  | 21.9%             |
| Queens County, NY                                   | 81.4%                      | 52.2%                  | 48.1%              | 73.9%                     | 48.1%                  | 35.2%             |
| Richmond County, NY                                 | 72.7%                      | 45.8%                  | 46.2%              | 80.1%                     | 50.7%                  | 33.0%             |
| Nassau County, NY                                   | 76.2%                      | 56.6%                  | 48.9%              | 82.0%                     | 61.0%                  | 31.9%             |
| MD 35614 (New York-Jersey City-White Plains, NY-NJ) | 76.9%                      | 46.1%                  | 47.2%              | 76.1%                     | 52.2%                  | 32.0%             |
| MD 35004 (Nassau-Suffolk County, NY)                | 76.5%                      | 60.3%                  | 50.3%              | 81.2%                     | 50.7%                  | 31.8%             |
| State of NY   | 76.4%                      | 42.8%                  | 46.8%              | 70.8%                     | 40.8%                  | 25.5%             |

*\*Housing Cost Burden is housing cost that equals 30.0% or more of household income.  
Source: HUD 2017-2021 Comprehensive Housing Affordability Strategy*

**Labor, Employment and Economic Characteristics**

According to D&B, there were 439,374 businesses operating in this assessment area in 2024, of which 7.2% were located in low-income census tracts and 16.3% were located in moderate-income census tracts. Of the total businesses operating in the assessment area, 91.0% were small businesses with GAR of \$1.0 million or less, of which 7.4% were located in low-income census tracts and 16.8% were located in moderate-income census tracts.

Unemployment trends improved in this assessment area during the evaluation period. According to the BLS, unemployment was 9.3% in 2021 and decreased to 5.0% in 2024. Similarly, the unemployment rates in the state of NY decreased from 7.1% to 4.3%, over the same period.

Additional unemployment rates are provided in the subsequent table.

| <b>Unemployment Rates</b>                           |             |             |             |             |
|---|-------------|-------------|-------------|-------------|
| <b>Area</b>   | <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> |
| Assessment Area                                     | 9.3%        | 5.3%        | 4.7%        | 5.0%        |
| Bronx County, NY                                    | 14.0%       | 8.0%        | 6.7%        | 6.9%        |
| Kings County, NY                                    | 10.0%       | 5.7%        | 5.1%        | 5.4%        |
| New York County, NY                                 | 8.2%        | 4.8%        | 4.5%        | 4.8%        |
| Queens County, NY                                   | 9.8%        | 5.3%        | 4.5%        | 4.7%        |
| Richmond County, NY                                 | 8.9%        | 5.4%        | 4.6%        | 4.7%        |
| Nassau County, NY                                   | 4.7%        | 3.0%        | 3.1%        | 3.3%        |
| MD 35614 (New York-Jersey City-White Plains, NY-NJ) | 8.8%        | 5.0%        | 4.6%        | 4.8%        |
| MD 35004 (Nassau-Suffolk County, NY)                | 4.7%        | 3.1%        | 3.2%        | 3.4%        |
| State of NY   | 7.1%        | 4.3%        | 4.1%        | 4.3%        |

*Source: BLS, Local Area Unemployment Statistics*

### **Competition**

MCB operated in a competitive banking market with large national banks, local community and state-chartered banks, credit unions, mortgage companies and non-bank financial institutions.

According to the June 30, 2024 Federal Deposit Insurance Corporation Deposit Market Share, MCB faced strong competition among small business lenders in the assessment area. The largest competitors included JP Morgan Chase Bank, N.A. with 42.1% deposit market share, Goldman Sachs Bank, USA, with 11.1% deposit market share, and BNY, with a deposit market share of 10.6%. In addition, several competitors similar to MCB in size are present in the metropolitan area. Out of the 109 institutions in the assessment area, MCB ranked 25<sup>th</sup> with 0.3% deposit market share.

Additional information that supports that the bank operates in a market dominated by significantly larger institutions is the small business data. In 2024, MCB ranked 100 out of 255 CRA small business lending reporters with a market share of less than 0.01%. MCB's rankings were similar in 2021, 2022 and 2023. The top 3 institutions captured 55.9%, 68.7%, 73.9%, and 73.8%, in 2021, 2022, 2023, and 2024 respectively..

Additional performance context for this assessment area is provided in the following table.

| Assessment Area Demographics |                                  |   |                          |                           |  |                             |                           |              |
|------------------------------|----------------------------------|---|--------------------------|---------------------------|--|-----------------------------|---------------------------|--------------|
| Income Categories            | Tract Distribution               |   | Families by Tract Income |                           | Families < Poverty Level as % of Families by Tract |                             | Families by Family Income |              |
|                              | #                                | %   | #                        | %                         | #  | %                           | #                         | %            |
| Low                          | 295                              | 11.3  | 306,959                  | 13.6                      | 101,363  | 33.0                        | 633,138                   | 28.2         |
| Moderate                     | 601                              | 23.0  | 537,442                  | 23.9                      | 89,872   | 16.7                        | 360,558                   | 16.0         |
| Middle                       | 873                              | 33.4  | 773,285                  | 34.4                      | 58,956   | 7.6                         | 380,967                   | 16.9         |
| Upper                        | 686                              | 26.3  | 612,325                  | 27.2                      | 24,080   | 3.9                         | 874,279                   | 38.9         |
| Unknown                      | 158                              | 6.0   | 18,931                   | 0.8                       | 4,218  | 22.3                        | 0                         | 0            |
| <b>Total Assessment Area</b> | <b>2,613</b>                     | <b>100.0</b>                                  | <b>2,248,942</b>         | <b>100.0</b>              | <b>278,489</b>                                     | <b>12.4</b>                 | <b>2,248,942</b>          | <b>100.0</b> |
|                              | <b>Housing Units by Tract</b>    | <b>Housing Types by Tract</b>                 |                          |                           |  |                             |                           |              |
|                              |                                  | <b>Owner-Occupied</b>                         |                          |                           | <b>Rental</b>                                      |                             | <b>Vacant</b>             |              |
|                              |                                  | #   | %                        | %                         | #  | %                           | #                         | %            |
| Low                          | 526,770                          | 41,826  | 3.0                      | 7.9                       | 454,679  | 86.3                        | 30,265                    | 5.7          |
| Moderate                     | 913,810                          | 212,136                                       | 15.0                     | 23.2                      | 633,087  | 69.3                        | 68,587                    | 7.5          |
| Middle                       | 1,234,385                        | 588,578                                       | 41.6                     | 47.7                      | 556,482  | 45.1                        | 89,325                    | 7.2          |
| Upper                        | 1,272,288                        | 562,282                                       | 39.8                     | 44.2                      | 551,957  | 43.4                        | 158,049                   | 12.4         |
| Unknown                      | 45,580                           | 8,492   | 0.6                      | 18.6                      | 32,139   | 70.5                        | 4,949                     | 10.9         |
| <b>Total Assessment Area</b> | <b>3,992,833</b>                 | <b>1,413,314</b>                              | <b>100.0</b>             | <b>35.4</b>               | <b>2,228,344</b>                                   | <b>55.8</b>                 | <b>351,175</b>            | <b>8.8</b>   |
|                              | <b>Total Businesses by Tract</b> | <b>Businesses by Tract &amp; Revenue Size</b> |                          |                           |  |                             |                           |              |
|                              |                                  | <b>Less Than or = \$1.0 Million</b>           |                          | <b>Over \$1.0 Million</b> |  | <b>Revenue Not Reported</b> |                           |              |
|                              |                                  | #   | %                        | #                         | %  | #                           | %                         | #            |
| Low                          | 31,496                           | 7.2   | 29,521                   | 7.4                       | 1,793  | 5.0                         | 182                       | 5.1          |
| Moderate                     | 71,418                           | 16.3  | 67,093                   | 16.8                      | 3,862  | 10.8                        | 463                       | 13.0         |
| Middle                       | 122,788                          | 27.9  | 115,401                  | 28.8                      | 6,457  | 18.1                        | 930                       | 26.1         |
| Upper                        | 193,114                          | 44.0  | 171,683                  | 42.9                      | 19,648   | 54.9                        | 1,783                     | 50.0         |
| Unknown                      | 20,558                           | 4.7   | 16,351                   | 4.1                       | 4,000  | 11.2                        | 207                       | 5.8          |
| <b>Total Assessment Area</b> | <b>439,374</b>                   | <b>100.0</b>                                  | <b>400,049</b>           | <b>100.0</b>              | <b>35,760</b>                                      | <b>100.0</b>                | <b>3,565</b>              | <b>100.0</b> |
|                              | <b>% of Total Businesses:</b>    |   |                          | <b>91.0</b>               |  | <b>8.1</b>                  |                           | <b>0.8</b>   |
|                              | <b>Total Farms by Tract</b>      | <b>Farms by Tract &amp; Revenue Size</b>      |                          |                           |  |                             |                           |              |
|                              |                                  | <b>Less Than or = \$1.0 Million</b>           |                          | <b>Over \$1.0 Million</b> |  | <b>Revenue Not Reported</b> |                           |              |
|                              |                                  | #   | %                        | #                         | %  | #                           | %                         | #            |
| Low                          | 76                               | 8.1   | 73                       | 8.0                       | 3  | 13.0                        | 0                         | 0            |
| Moderate                     | 145                              | 15.4  | 144                      | 15.7                      | 1  | 4.3                         | 0                         | 0            |
| Middle                       | 235                              | 24.9  | 228                      | 24.8                      | 6  | 26.1                        | 1                         | 100.0        |
| Upper                        | 444                              | 47.1  | 435                      | 47.4                      | 9  | 39.1                        | 0                         | 0            |
| Unknown                      | 42                               | 4.5   | 38                       | 4.1                       | 4  | 17.4                        | 0                         | 0            |
| <b>Total Assessment Area</b> | <b>942</b>                       | <b>100.0</b>                                  | <b>918</b>               | <b>100.0</b>              | <b>23</b>  | <b>100.0</b>                | <b>1</b>                  | <b>100.0</b> |
|                              | <b>% of Total Farms:</b>         |   |                          | <b>97.5</b>               |  | <b>2.4</b>                  |                           | <b>0.1</b>   |

Source: 2024 FFIEC and 2024 D&B

**Community Contact**

Examiners conducted an interview with a representative from a community development organization focused on promoting small business development in NYC. The organization serves low-income and minority populations by providing lending capital and technical assistance to facilitate small business expansion and job creation in underserved Harlem and Bronx communities in NYC. According to the representative, the specific needs of small businesses in the assessment area included additional funding in the form of low-interest loans and technical assistance in the areas of credit, budgeting, and financial projections.

**CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

**LENDING TEST**

MCB’s overall performance under the Lending Test is rated Low Satisfactory. The bank’s performance under the criteria of Lending Activity, Responsiveness to Credit Needs, and Community Development Lending primarily supported this conclusion.

**Lending Activity**

Lending levels reflected adequate responsiveness to the assessment area credit needs.

As shown in the subsequent table, the bank made 75 home mortgage loans totaling \$478.1 million and 136 small business loans totaling approximately \$80.0 million. This lending activity represented an overall annualized performance over 48 months of 19 home mortgage loans totaling \$119.5 million and 34 small business loans totaling \$20.0 million. Annualized performance decreased by 70.0% by number of home mortgage loans and 46.9% by number of small business loans, when compared to the bank’s previous evaluation’s annualized performance of 63 home mortgage loans and 64 small business loans over 24 months. The decrease in home mortgage lending activity was attributed to reduced housing affordability in the metropolitan area. The decrease in small business lending in this evaluation period was partially attributed to the volume of the temporary Paycheck Protection Program (PPP) loans originated during the prior evaluation period, which accounted for 29.7% of small business lending. During this evaluation, the bank originated 21 PPP loans, totaling \$1.9 million in 2021 compared to 38 totaling \$3.6 million at the previous evaluation. Considering the temporary nature of the PPP, the decrease in PPP activity did not adversely affect the bank; instead, the evaluation considered the bank’s responsiveness to the acute credit needs of small businesses during that timeframe and gave consideration for the decline in small business lending related to PPP lending as part of performance context.

The bank’s lending activity is summarized in the table below.

| <b>Summary of Institution Lending Activity</b>                                 |            |              |                  |              |
|--|------------|--------------|------------------|--------------|
| <b>Loan Type</b>   | <b>#</b>   | <b>%</b>     | <b>\$(000’s)</b> | <b>%</b>     |
| Home Purchase  | 40         | 19.0         | 181,815          | 32.6         |
| Home Refinance   | 33         | 15.6         | 282,602          | 50.6         |
| Home Improvement   | 2          | 0.9          | 13,650           | 2.4          |
| <b>Total Home Mortgage</b>   | <b>75</b>  | <b>35.5</b>  | <b>478,067</b>   | <b>85.7</b>  |
| <b>Total Small Business</b>  | <b>136</b> | <b>64.5</b>  | <b>79,966</b>    | <b>14.3</b>  |
| <b>TOTAL LOANS</b>   | <b>211</b> | <b>100.0</b> | <b>558,033</b>   | <b>100.0</b> |
| <i>Source: Bank and CRA-reported data January 1, 2021 to December 31, 2024</i> |            |              |                  |              |

**Assessment Area Concentration**

An adequate percentage of loans were made in the bank’s assessment area. As shown in the subsequent table, 68.2% of the bank’s total loans by number and 75.7% by dollar volume were made in the bank’s assessment area. The bank displayed a weaker performance in small business lending, by number and dollar volume, with 61.8% by number and 50.5% by dollar volume of such loans extended within the assessment area.

The bank’s lending inside and outside the assessment area is summarized in the table below.

| <b>Lending Inside and Outside the Assessment Area</b> |               |             |                  |             |                |             |                  |             |
|---|---------------|-------------|------------------|-------------|----------------|-------------|------------------|-------------|
|   | <b>Inside</b> |             |                  |             | <b>Outside</b> |             |                  |             |
| <b>Loan Type</b>                                      | <b>#</b>      | <b>%</b>    | <b>\$(000's)</b> | <b>%</b>    | <b>#</b>       | <b>%</b>    | <b>\$(000's)</b> | <b>%</b>    |
| Home Purchase   | 32            | 80.0        | 120,115          | 66.1        | 8              | 20.0        | 61,700           | 33.9        |
| Home Refinance  | 26            | 78.8        | 248,152          | 87.8        | 7              | 21.2        | 34,450           | 12.2        |
| Home Improvement                                      | 2             | 100.0       | 13,650           | 100.0       | 0              | 0           | 0                | 0           |
| <b>Total Home Mortgage</b>                            | <b>60</b>     | <b>80.0</b> | <b>381,917</b>   | <b>79.9</b> | <b>15</b>      | <b>20.0</b> | <b>96,150</b>    | <b>20.0</b> |
| <b>Total Small Business</b>                           | <b>84</b>     | <b>61.8</b> | <b>40,343</b>    | <b>50.5</b> | <b>52</b>      | <b>38.2</b> | <b>39,623</b>    | <b>49.5</b> |
| <b>TOTAL LOANS</b>                                    | <b>144</b>    | <b>68.2</b> | <b>422,260</b>   | <b>75.7</b> | <b>67</b>      | <b>31.8</b> | <b>135,773</b>   | <b>24.3</b> |

*Source: Bank and CRA-reported data January 1, 2021 to December 31, 2024*

**Geographic Distribution of Loans**

The geographic distribution of loans reflected poor penetration throughout the assessment area. Lending penetration in LMI tracts was excellent for home mortgage loans and poor for small business loans.

Gap Analysis

MCB demonstrated a poor level of dispersion in LMI census tracts in the assessment area. The bank’s performance in LMI tracts reflected a decreasing trend during the evaluation period.

The bank’s lending gap analysis in the assessment area is summarized in the table below.

| <b>Lending Gap Analysis</b>     |                         |                             |                      |
|---------------------------------|-------------------------|-----------------------------|----------------------|
| <b>Tract Income Levels</b>      | <b>Number of Tracts</b> | <b>Tracts with no Loans</b> | <b>Penetration %</b> |
| <b>2024</b>                     |                         |                             |                      |
| Low                             | 295                     | 294                         | 0.3                  |
| Moderate                        | 601                     | 600                         | 0.2                  |
| Middle                          | 873                     | 872                         | 0.1                  |
| Upper                           | 686                     | 678                         | 1.2                  |
| Unknown                         | 158                     | 156                         | 1.3                  |
| <b>2023</b>                     |                         |                             |                      |
| Low                             | 295                     | 295                         | 0                    |
| Moderate                        | 601                     | 598                         | 0.5                  |
| Middle                          | 873                     | 871                         | 0.2                  |
| Upper                           | 686                     | 674                         | 1.7                  |
| Unknown                         | 158                     | 157                         | 0.6                  |
| <b>2022</b>                     |                         |                             |                      |
| Low                             | 295                     | 290                         | 1.7                  |
| Moderate                        | 601                     | 592                         | 1.5                  |
| Middle                          | 873                     | 866                         | 0.8                  |
| Upper                           | 686                     | 671                         | 2.2                  |
| Unknown                         | 158                     | 154                         | 2.5                  |
| <b>2021</b>                     |                         |                             |                      |
| Low                             | 296                     | 292                         | 1.4                  |
| Moderate                        | 598                     | 588                         | 1.7                  |
| Middle                          | 801                     | 792                         | 1.1                  |
| Upper                           | 681                     | 656                         | 3.7                  |
| Unknown                         | 75                      | 75                          | 0                    |
| <i>Source: FFIEC, Bank data</i> |                         |                             |                      |

Home Mortgage Loans

The geographic distribution of home mortgage loans reflected excellent penetration throughout the assessment area.

| Geographic Distribution of Home Mortgage Loans  |            |              |                |              |                               |  |
|---|------------|--------------|----------------|--------------|-------------------------------|--|
| Geographic<br>Income Level  | Bank Loans |              |                |              | Owner-<br>Occupied<br>Units % |  |
|   | Bank       |              | Bank           |              |                               |  |
|   | #          | #%           | \$(000's)      | %            |                               |  |
| Low   |            |              |                |              |                               |  |
| 2024  | 1          | 33.3         | 17,500         | 74.5         | 3.0                           |  |
| 2023  | 0          | 0            | 0              | 0            | 3.0                           |  |
| 2022  | 4          | 13.8         | 59,312         | 43.3         | 3.0                           |  |
| 2021  | 2          | 11.1         | 28,400         | 27.1         | 2.9                           |  |
| Moderate  |            |              |                |              |                               |  |
| 2024  | 0          | 0            | 0              | 0            | 15.0                          |  |
| 2023  | 3          | 30.0         | 20,400         | 17.5         | 15.0                          |  |
| 2022  | 10         | 34.5         | 19,848         | 14.5         | 15.0                          |  |
| 2021  | 4          | 22.2         | 5,973          | 5.7          | 14.1                          |  |
| Middle  |            |              |                |              |                               |  |
| 2024  | 0          | 0            | 0              | 0            | 41.6                          |  |
| 2023  | 2          | 20.0         | 35,250         | 30.2         | 41.6                          |  |
| 2022  | 5          | 17.2         | 4,078          | 3.0          | 41.6                          |  |
| 2021  | 3          | 16.7         | 5,425          | 5.2          | 39.9                          |  |
| Upper   |            |              |                |              |                               |  |
| 2024  | 2          | 66.7         | 6,000          | 25.5         | 39.8                          |  |
| 2023  | 5          | 50.0         | 60,900         | 52.3         | 39.8                          |  |
| 2022  | 10         | 34.5         | 53,649         | 39.2         | 39.8                          |  |
| 2021  | 9          | 50.0         | 65,180         | 62.1         | 42.9                          |  |
| Unknown   |            |              |                |              |                               |  |
| 2024  | 0          | 0            | 0              | 0            | 0.6                           |  |
| 2023  | 0          | 0            | 0              | 0            | 0.6                           |  |
| 2022  | 0          | 0            | 0              | 0            | 0.6                           |  |
| 2021  | 0          | 0            | 0              | 0            | 0.2                           |  |
| <b>Totals</b>   |            |              |                |              |                               |  |
| <b>2024</b>   | <b>3</b>   | <b>100.0</b> | <b>23,500</b>  | <b>100.0</b> | <b>100.0</b>                  |  |
| <b>2023</b>   | <b>10</b>  | <b>100.0</b> | <b>116,550</b> | <b>100.0</b> | <b>100.0</b>                  |  |
| <b>2022</b>   | <b>29</b>  | <b>100.0</b> | <b>136,888</b> | <b>100.0</b> | <b>100.0</b>                  |  |
| <b>2021</b>   | <b>18</b>  | <b>100.0</b> | <b>104,978</b> | <b>100.0</b> | <b>100.0</b>                  |  |
| <i>Source: Bank data, FFIEC, 2020 U.S. Census. Percentages may not total to 100.0% due to rounding.</i> |            |              |                |              |                               |  |

In 2024, the bank's lending performance was significantly above the percentage of owner-occupied housing units located in low-income census tracts. In 2023, the bank did not make any loans in low-income census tracts. In 2022, performance was significantly above the demographic. In 2021, performance was similar to 2022. As a result, performance within low-income census tracts was excellent.

In 2024, the bank did not make any loans in moderate-income census tracts. In 2023, the bank's lending performance was significantly above the percentage of owner-occupied housing units located in moderate-income census tracts. In 2022 and 2021, performance was similar to 2023. As a result, performance within moderate-income census tracts was excellent.

Small Business Loans

The geographic distribution of small business loans reflected poor penetration throughout the assessment area.

| Geographic Distribution of Small Business Loans  |                          |              |              |               |              |              |                    |
|--|--------------------------|--------------|--------------|---------------|--------------|--------------|--------------------|
| Geographic Income Level  | Bank And Aggregate Loans |              |              |               |              |              | Total Businesses % |
|  | Bank                     |              | Agg          | Bank          |              | Agg          |                    |
|  | #                        | #%           | #%           | \$(000's)     | %            | \$%          |                    |
| Low  |                          |              |              |               |              |              |                    |
| 2024   | 0                        | 0            | 8.9          | 0             | 0            | 7.8          | 7.2                |
| 2023   | 0                        | 0            | 8.6          | 0             | 0            | 8.0          | 7.1                |
| 2022   | 1                        | 5.9          | 8.0          | 483           | 5.0          | 7.8          | 7.1                |
| 2021   | 2                        | 5.1          | 7.8          | 1,083         | 7.5          | 6.3          | 7.0                |
| Moderate   |                          |              |              |               |              |              |                    |
| 2024   | 1                        | 7.7          | 18.6         | 1,000         | 12.3         | 16.7         | 16.3               |
| 2023   | 0                        | 0            | 19.0         | 0             | 0            | 17.1         | 16.3               |
| 2022   | 2                        | 11.8         | 18.3         | 1,300         | 13.3         | 16.6         | 16.3               |
| 2021   | 7                        | 17.9         | 19.5         | 3,441         | 23.9         | 15.5         | 17.6               |
| Middle   |                          |              |              |               |              |              |                    |
| 2024   | 1                        | 7.7          | 29.4         | 200           | 2.5          | 25.9         | 27.9               |
| 2023   | 0                        | 0            | 29.6         | 0             | 0            | 25.7         | 27.8               |
| 2022   | 2                        | 11.8         | 29.7         | 921           | 9.5          | 25.5         | 28.0               |
| 2021   | 7                        | 17.9         | 28.3         | 4,426         | 30.8         | 24.1         | 27.0               |
| Upper  |                          |              |              |               |              |              |                    |
| 2024   | 9                        | 69.2         | 39.5         | 5,254         | 64.6         | 43.1         | 44.0               |
| 2023   | 13                       | 86.7         | 39.0         | 6,825         | 84.5         | 42.6         | 43.9               |
| 2022   | 7                        | 41.2         | 39.8         | 2,979         | 30.6         | 43.7         | 43.8               |
| 2021   | 23                       | 59.0         | 42.1         | 5,443         | 37.8         | 50.0         | 45.9               |
| Unknown  |                          |              |              |               |              |              |                    |
| 2024   | 2                        | 15.4         | 3.6          | 1,675         | 20.6         | 6.5          | 4.7                |
| 2023   | 2                        | 13.3         | 3.7          | 1,250         | 15.5         | 6.5          | 4.9                |
| 2022   | 5                        | 29.4         | 4.0          | 4,063         | 41.7         | 6.4          | 4.8                |
| 2021   | 0                        | 0            | 2.1          | 0             | 0            | 4.0          | 2.5                |
| <b>Totals</b>  |                          |              |              |               |              |              |                    |
| <b>2024</b>  | <b>13</b>                | <b>100.0</b> | <b>100.0</b> | <b>8,129</b>  | <b>100.0</b> | <b>100.0</b> | <b>100.0</b>       |
| <b>2023</b>  | <b>15</b>                | <b>100.0</b> | <b>100.0</b> | <b>8,075</b>  | <b>100.0</b> | <b>100.0</b> | <b>100.0</b>       |
| <b>2022</b>  | <b>17</b>                | <b>100.0</b> | <b>100.0</b> | <b>9,746</b>  | <b>100.0</b> | <b>100.0</b> | <b>100.0</b>       |
| <b>2021</b>  | <b>39</b>                | <b>100.0</b> | <b>100.0</b> | <b>14,393</b> | <b>100.0</b> | <b>100.0</b> | <b>100.0</b>       |
| <i>Source: CRA-reported data, FFIEC, D&amp;B; 2020 U.S. Census. Percentages may not total to 100.0% due to rounding.</i> |                          |              |              |               |              |              |                    |

The bank did not make any small business loans in low-income census tracts in 2024 or 2023. In 2022, the bank's lending performance was below the aggregate and slightly below the percentage of businesses located in low-income census tracts. In 2021, performance was similar to 2022. As a result, performance within low-income census tracts was poor.

In 2024, the bank's lending performance was significantly below the aggregate and percentage of businesses located in moderate-income census tracts. In 2023, the bank did not make any small business loans in moderate-income census tracts. In 2022, performance was below the aggregate and demographic. In 2021, performance

was similar to the aggregate and demographic. As a result, performance within moderate-income census tracts was poor.

**Borrower Profile**

The borrower distribution of loans reflected, given the product lines offered, adequate penetration throughout the assessment area. This conclusion was based on small business lending. As noted previously, there was insufficient information provided to conduct a meaningful home mortgage lending analysis due to the lack of borrower income data.

Small Business Loans

The borrower distribution of small business loans reflected adequate penetration throughout the assessment area.

| <b>Borrower Distribution of Small Business Loans</b> |                                 |              |            |                  |              |            |                               |
|--|---------------------------------|--------------|------------|------------------|--------------|------------|-------------------------------|
| <b>Borrower<br/>Income Level</b>                     | <b>Bank And Aggregate Loans</b> |              |            |                  |              |            | <b>Total Businesses<br/>%</b> |
|  | <b>Bank</b>                     |              | <b>Agg</b> | <b>Bank</b>      |              | <b>Agg</b> |                               |
|  | <b>#</b>                        | <b>#%</b>    | <b>#%</b>  | <b>\$(000's)</b> | <b>\$%</b>   | <b>\$%</b> |                               |
| <b>\$1.0 Million or Less</b>                         |                                 |              |            |                  |              |            |                               |
| 2024   | 6                               | 46.2         | 53.8       | 3,900            | 48.0         | 33.3       | 91.0                          |
| 2023   | 1                               | 6.7          | 53.7       | 925              | 11.5         | 33.8       | 90.8                          |
| 2022   | 5                               | 29.4         | 49.4       | 2,104            | 21.6         | 32.0       | 90.7                          |
| 2021   | 6                               | 15.4         | 35.9       | 3,608            | 25.1         | 17.6       | 90.6                          |
| <b>Over \$1.0 Million</b>                            |                                 |              |            |                  |              |            |                               |
| 2024   | 4                               | 30.8         |            | 2,229            | 27.4         |            | 8.1                           |
| 2023   | 11                              | 73.3         |            | 6,400            | 79.3         |            | 8.3                           |
| 2022   | 10                              | 58.8         |            | 5,642            | 57.9         |            | 8.5                           |
| 2021   | 10                              | 25.6         |            | 6,050            | 42.0         |            | 8.6                           |
| <b>Revenue Unknown</b>                               |                                 |              |            |                  |              |            |                               |
| 2024   | 3                               | 23.1         |            | 2,000            | 24.6         |            | 0.8                           |
| 2023   | 3                               | 20.0         |            | 750              | 9.3          |            | 0.8                           |
| 2022   | 2                               | 11.8         |            | 2,000            | 20.5         |            | 0.8                           |
| 2021   | 23                              | 59.0         |            | 4,735            | 32.9         |            | 0.8                           |
| <b>Totals</b>  |                                 |              |            |                  |              |            |                               |
| <b>2024</b>  | <b>13</b>                       | <b>100.0</b> |            | <b>8,129</b>     | <b>100.0</b> |            | <b>100.0</b>                  |
| <b>2023</b>  | <b>15</b>                       | <b>100.0</b> |            | <b>8,075</b>     | <b>100.0</b> |            | <b>100.0</b>                  |
| <b>2022</b>  | <b>17</b>                       | <b>100.0</b> |            | <b>9,746</b>     | <b>100.0</b> |            | <b>100.0</b>                  |
| <b>2021</b>  | <b>39</b>                       | <b>100.0</b> |            | <b>14,393</b>    | <b>100.0</b> |            | <b>100.0</b>                  |

*Source: CRA-reported data, FFIEC, D&B; 2020 U.S. Census. Percentages may not total to 100.0% due to rounding.*

In 2024, the bank's lending performance was slightly below the aggregate and below the percentage of businesses with GAR of \$1.0 million or less. In 2023, the bank's lending performance was significantly below the aggregate and demographic. In 2022, performance was below the aggregate and significantly below the demographic. In 2021, performance was similar to 2022. However, in 2021, much of the small business lending volume was driven by PPP lending, which did not require the collection of revenue. When the analysis was controlled for loans without revenue reported, the bank's performance in 2024 and 2021 exceeded the aggregate and in 2023 and 2022, the bank's performance also improved but was still below the aggregate.

Additionally, the bank's performance compared to the aggregate generally increased over the evaluation period. As a result, the performance of small businesses with GAR of \$1.0 million or less was adequate.

### **Responsiveness to Credit Needs of Highly Economically Disadvantaged Geographies and to Low-Income Persons and Small Businesses**

The bank exhibited an adequate record of serving the credits needs of the most economically disadvantaged areas of its assessment area, low-income individuals, and/or very small businesses, consistent with safe and sound banking practices. To help address small business needs, the bank participated in the following:

- Paycheck Protection Program (PPP) Loans: In 2021, MCB originated 21 PPP loans totaling \$1.9 million. PPP loans provided a direct benefit to small businesses adversely affected by the COVID-19 pandemic and were considered particularly responsive to acute credit needs during that time. Additionally, all PPP loans were made in amounts under \$1.0 million.
- Community Development Financial Institution (CDFI) Co-Lending Program: Launched in 2024, MCB provides 50.0% of the capital and the CDFI provides the other 50.0% for a small business loan. Since launching this program, the bank made one loan during the evaluation period. This loan program addresses the small business need for increased access to capital identified during the community contact interview.
- Small Business Administration (SBA) 7(a) Lender: In December 2024, the bank became an approved SBA 7(a) lender. This loan program allows business owners to borrow funds ranging up to a maximum loan amount of \$5.0 million. These loans feature competitive interest rates and flexible repayment terms, making them accessible to various types of small businesses. The federal government partially guarantees these loans, reducing the risk for lenders and enabling the bank to offer favorable terms. While offered by the bank, no loans originated during the evaluation period.

### **Community Development Lending Activities**

MCB was a leader in making community development loans. MCB's 82 community development loans, totaling \$969.4 million, were comprised of 66 loans for \$712.0 million within this assessment area and 16 loans for \$257.4 million that benefited the BSRA. This activity represented an annualized performance over 36 months of approximately 27 loans for \$323.1 million. Compared to the previous evaluation, when the bank had an annualized performance of 22 loans for \$144.6 million, this represented an increase by number of 22.7% and 123.4% by dollar volume. The significant number and dollar volume of community development loans reflected the bank's specialized lending for skilled nursing homes in LMI areas for LMI individuals.

Examiners also considered MCB's annualized community development loans relative to its deposits and average assets and compared the bank's performance to three similarly-situated peer institutions. MCB's performance ranked second based on deposits and average assets.

The table below illustrates the bank's community development loan activity by year and purpose.

| <b>Community Development Lending</b> |                           |                  |                           |                  |                             |                  |                                |                  |               |                  |
|--------------------------------------|---------------------------|------------------|---------------------------|------------------|-----------------------------|------------------|--------------------------------|------------------|---------------|------------------|
| <b>Year</b>                          | <b>Affordable Housing</b> |                  | <b>Community Services</b> |                  | <b>Economic Development</b> |                  | <b>Revitalize or Stabilize</b> |                  | <b>Totals</b> |                  |
|                                      | <b>#</b>                  | <b>\$(000's)</b> | <b>#</b>                  | <b>\$(000's)</b> | <b>#</b>                    | <b>\$(000's)</b> | <b>#</b>                       | <b>\$(000's)</b> | <b>#</b>      | <b>\$(000's)</b> |
| 2022                                 | 10                        | 85,535           | 11                        | 206,679          | 0                           | 0                | 2                              | 5,000            | <b>23</b>     | <b>297,214</b>   |
| 2023                                 | 10                        | 73,541           | 11                        | 61,160           | 0                           | 0                | 5                              | 65,500           | <b>26</b>     | <b>200,201</b>   |
| 2024                                 | 9                         | 100,979          | 6                         | 104,452          | 1                           | 1,000            | 1                              | 8,190            | <b>17</b>     | <b>214,621</b>   |
| <b>Subtotal</b>                      | <b>29</b>                 | <b>260,055</b>   | <b>28</b>                 | <b>372,291</b>   | <b>1</b>                    | <b>1,000</b>     | <b>8</b>                       | <b>78,690</b>    | <b>66</b>     | <b>712,036</b>   |
| BSRA                                 | 0                         | 0                | 15                        | 217,376          | 0                           | 0                | 1                              | 40,000           | <b>16</b>     | <b>257,376</b>   |
| <b>Total</b>                         | <b>29</b>                 | <b>260,055</b>   | <b>43</b>                 | <b>589,667</b>   | <b>1</b>                    | <b>1,000</b>     | <b>9</b>                       | <b>118,690</b>   | <b>82</b>     | <b>969,412</b>   |

*Source: Bank data January 1, 2022 to December 31, 2024*

Below are examples of the bank’s community development loans within the assessment area.

- In 2024, the bank made a \$60.0 million loan to provide post-construction permanent financing for a 358-bed nursing facility in a moderate-income area of the Bronx with a majority of the patients being LMI. This loan supported community services for LMI individuals in the assessment area.
- In 2024, the bank made a \$37.3 million loan for a 133-unit rent-restricted multifamily complex in a moderate-income area of NYC. This loan supported the need for affordable housing in the assessment area.

**Innovative and/or Flexible Lending Practices**

The bank made limited use of innovative and/or flexible lending practices in order to serve assessment area credit needs. While the bank offered the following programs: PPP, CDFI co-lending, and SBA 7(a), minimal activity under the CDFI and SBA 7(a) programs contributed to the evaluation of limited use.

**INVESTMENT TEST**

MCB’s overall performance under the Investment Test is rated High Satisfactory. The bank’s performance under the criteria of Investment and Grant Activity and Community Development Initiatives primarily supported this conclusion.

**Investment and Grant Activity**

MCB had a significant level of qualified community development investment and grants, occasionally in a leadership position, particularly those that are not routinely provided by private investors. During the evaluation period, the bank reported 60 qualified investments and grants totaling \$38.5 million, including 7 new investments for \$7.9 million, 14 prior period investments with a current balance of \$30.1 million, and 39 grants totaling \$536,000. Overall, this represented an annualized performance over 36 months of \$12.8 million, which was similar to the bank’s annualized performance of \$12.7 million by dollar volume at the previous evaluation.

The table below illustrates the bank’s community development investment and grant activity by year and purpose.

| <b>Qualified Investments and Grants</b> |                           |                  |                           |                  |                             |                  |                                |                  |               |                  |
|---|---------------------------|------------------|---------------------------|------------------|-----------------------------|------------------|--------------------------------|------------------|---------------|------------------|
| <b>Year</b>                             | <b>Affordable Housing</b> |                  | <b>Community Services</b> |                  | <b>Economic Development</b> |                  | <b>Revitalize or Stabilize</b> |                  | <b>Totals</b> |                  |
|   | <b>#</b>                  | <b>\$(000's)</b> | <b>#</b>                  | <b>\$(000's)</b> | <b>#</b>                    | <b>\$(000's)</b> | <b>#</b>                       | <b>\$(000's)</b> | <b>#</b>      | <b>\$(000's)</b> |
| Prior Period                            | 13                        | 27,924           | 1                         | 2,165            | 0                           | 0                | 0                              | 0                | 14            | 30,089           |
| 2022                                    | 1                         | 2,868            | 0                         | 0                | 0                           | 0                | 0                              | 0                | 1             | 2,868            |
| 2023                                    | 0                         | 0                | 3                         | 1,500            | 0                           | 0                | 0                              | 0                | 3             | 1,500            |
| 2024                                    | 1                         | 3,000            | 2                         | 498              | 0                           | 0                | 0                              | 0                | 3             | 3,498            |
| <b>Total Investments</b>                | <b>15</b>                 | <b>33,792</b>    | <b>6</b>                  | <b>4,163</b>     | <b>0</b>                    | <b>0</b>         | <b>0</b>                       | <b>0</b>         | <b>21</b>     | <b>37,955</b>    |
| <b>Total Grants</b>                     | <b>9</b>                  | <b>143</b>       | <b>22</b>                 | <b>276</b>       | <b>8</b>                    | <b>117</b>       | <b>0</b>                       | <b>0</b>         | <b>39</b>     | <b>536</b>       |
| <b>Grand Total</b>                      | <b>24</b>                 | <b>33,935</b>    | <b>28</b>                 | <b>4,439</b>     | <b>8</b>                    | <b>117</b>       | <b>0</b>                       | <b>0</b>         | <b>60</b>     | <b>38,491</b>    |

*Source: Bank data January 1, 2022 to December 31, 2024*

Below are examples of the bank’s qualified investments and grants within this assessment area.

- In 2024, the bank invested \$3.0 million in a community development fund that focused on providing affordable housing for LMI borrowers and renters. This investment supported the need for more affordable housing as demonstrated by the significant housing cost burden within this assessment area.
- In 2022, the bank invested in a \$2.9 million mortgage-backed security secured by loans to LMI borrowers in Nassau, Kings, and Queens counties. This investment supported the need for affordable housing in this assessment area.

**Responsiveness to Credit and Community Development Needs**

The bank exhibited adequate responsiveness to credit and community economic development needs. Of the qualified investments and grants deployed by the bank, 40.0% by number and 88.2% by dollar volume were towards affordable housing, which demonstrated responsiveness to the significant housing cost burden within this assessment area.

**Community Development Initiatives**

The bank made significant use of innovative and/or complex investments to support community development initiatives. During the evaluation period, of the 7 new investments, 2 (28.6%) were comprised of deposits held in a minority depository institution, 3 (42.9%) in a CDFI, 1 (14.3%) in a community development fund, and 1 (14.3%) in a mortgage-backed security.

**SERVICE TEST**

MCB’s overall performance under the Service Test is rated High Satisfactory. The bank’s performance in Community Development Services primarily supported this conclusion.

**Retail Services**

**Accessibility of Delivery Systems**

Delivery systems were reasonably accessible to essentially all portions of the bank’s assessment area. MCB operated 6 full-service branches and 17 ATMs in the assessment area. As shown in the table, MCB had 1

branch (16.7%) and 3 ATMs (17.6%) in a low-income census tract, which exceeded both the percentage of low-income census tracts and low-income families in this assessment area. The bank does not have any offices or ATMs in moderate-income census tracts.

| <b>Branch and ATM Distribution by Tract Income Level</b> |                      |              |                  |              |                 |              |             |              |
|--|----------------------|--------------|------------------|--------------|-----------------|--------------|-------------|--------------|
| <b>Tract Income Level</b>                                | <b>Census Tracts</b> |              | <b>Families</b>  |              | <b>Branches</b> |              | <b>ATMs</b> |              |
|  | <b>#</b>             | <b>%</b>     | <b>#</b>         | <b>%</b>     | <b>#</b>        | <b>%</b>     | <b>#</b>    | <b>%</b>     |
| Low  | 295                  | 11.3         | 306,959          | 13.6         | 1               | 16.7         | 3           | 17.6         |
| Moderate   | 601                  | 23.0         | 537,442          | 23.9         | 0               | 0            | 0           | 0            |
| Middle   | 873                  | 33.4         | 773,285          | 34.4         | 1               | 16.7         | 3           | 17.6         |
| Upper  | 686                  | 26.3         | 612,325          | 27.2         | 2               | 33.3         | 5           | 29.5         |
| Unknown  | 158                  | 6.0          | 18,931           | 0.8          | 2               | 33.3         | 6           | 35.3         |
| <b>Total</b>   | <b>2,613</b>         | <b>100.0</b> | <b>2,248,942</b> | <b>100.0</b> | <b>6</b>        | <b>100.0</b> | <b>17</b>   | <b>100.0</b> |

*Source: 2020 U.S. Census data, Bank data as of December 31, 2024*

In addition to physical access to branches and ATMs, the bank offered alternative delivery systems, including online and mobile banking, which improved accessibility for its products and services for all geographies, including LMI areas.

**Changes in Branch Locations**

To the extent changes have been made, the bank’s record of opening and closing of branches did not adversely affect the accessibility of its delivery systems, particularly in LMI geographies and/or to LMI. There were no changes in branch locations since the previous evaluation.

**Reasonableness of Business Hours and Services**

Services, including business hours, did not vary in a way that inconvenienced certain portions of this assessment area, particularly LMI geographies and/or individuals. All branches offered the same loan and deposit products. Business hours were similar for all branches. Notably, the Boro Park branch, located in a low-income census tract, offered Sunday hours.

**Community Development Services**

MCB was a leader in providing community development services. The bank provided 166 community development services, primarily addressing community service needs, of which 10 services benefited the BSRA. This represented an annualized performance over 36 months of approximately 55 community development services. This represented a 168.4% increase compared to the previous evaluation’s annualized performance of approximately 21 community development services. The bank’s annualized community development services also ranked second when compared to three similarly-situated banks.

The table below illustrates the bank’s community development services by year and purpose.

| <b>Community Development Services</b>                         |                           |                           |                             |                                |               |
|---|---------------------------|---------------------------|-----------------------------|--------------------------------|---------------|
| <b>Year</b>   | <b>Affordable Housing</b> | <b>Community Services</b> | <b>Economic Development</b> | <b>Revitalize or Stabilize</b> | <b>Totals</b> |
|   | <b>#</b>                  | <b>#</b>                  | <b>#</b>                    | <b>#</b>                       | <b>#</b>      |
| 2022  | 2                         | 28                        | 0                           | 0                              | <b>30</b>     |
| 2023  | 0                         | 47                        | 0                           | 0                              | <b>47</b>     |
| 2024  | 0                         | 77                        | 2                           | 0                              | <b>79</b>     |
| BSRA  | 3                         | 4                         | 3                           | 0                              | <b>10</b>     |
| <b>Total</b>  | <b>5</b>                  | <b>156</b>                | <b>5</b>                    | <b>0</b>                       | <b>166</b>    |
| <i>Source: Bank data January 1, 2022 to December 31, 2024</i> |                           |                           |                             |                                |               |

Below are examples of the bank’s community development services within this assessment area:

- In 2022 through 2024, a bank director served on the board of directors of a non-profit organization focused on preventing and ending homelessness. The organization provided emergency shelter, housing services, and access to a food pantry.
- In 2023 and 2024, a bank director served on the board of directors of a non-profit organization that preserves and revitalizes homes for low-income homeowners.

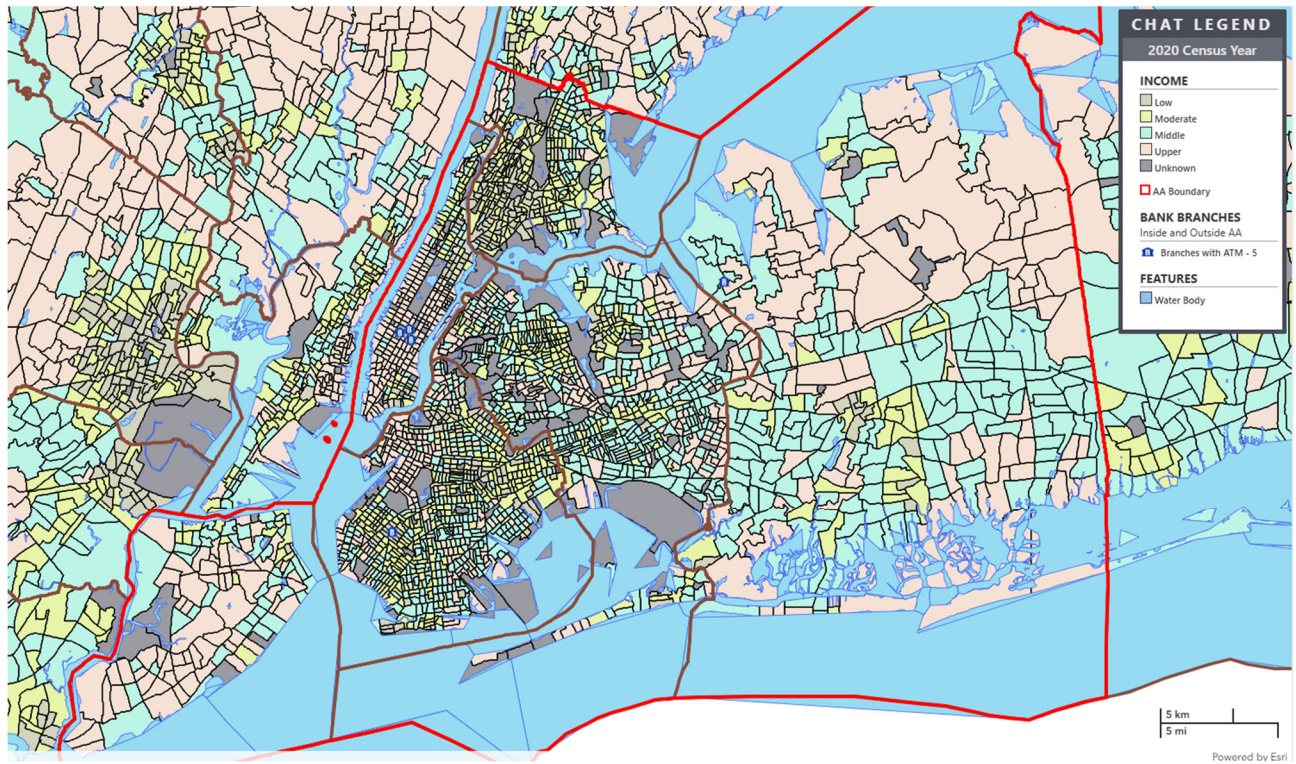
**FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW**

The bank was in compliance with the substantive provisions of the anti-discrimination laws and regulations. No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet the community credit needs of the assessment area was identified.

APPENDICES

APPENDIX A – ASSESSMENT AREA MAP

MSA 35620 (NEW YORK-NEWARK-JERSEY CITY, NY-NJ)



## **APPENDIX B – GLOSSARY**

**Aggregate lending:** The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Census tract:** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community development:** All Agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration’s Development Company or Small Business Investment Company programs (13 CFR 121.301) or have GAR of \$1.0 million or less; or activities that revitalize or stabilize LMI geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize:

- (i) low- or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on:
  - a. Rates of poverty, unemployment, and population loss; or
  - b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- or moderate-income individuals.

**Consumer loan(s):** A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

**Family:** Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into ‘male householder’ (a family with a male householder and no wife present) or ‘female householder’ (a family with a female householder and no husband present).

**Full scope review:** Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

**Geography:** A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

**Home Mortgage Disclosure Act (HMDA):** The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, withdrawn).

**Home mortgage loans:** Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

**Household:** Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100.0% tabulations, the count of households always equals the count of occupied housing units.

**Housing affordability ratio:** The housing affordability ratio is calculated by dividing the median household income by the median housing value. A lower ratio reflects less affordable housing.

**Limited scope review:** Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

**Low-income:** Individual income that is less than 50.0% of the area median income, or a median family income that is less than 50.0%, in the case of a geography.

**Market share:** The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

**Metropolitan area (MA):** A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

**Middle-income:** Individual income that is at least 80.0% and less than 120.0% of the area median income, or a median family income that is at least 80.0% and less than 120.0%, in the case of a geography.

**Moderate-income:** Individual income that is at least 50.0% and less than 80.0% of the area median income, or a median family income that is at least 50.0% and less than 80.0%, in the case of a geography.

**Multifamily:** Refers to a residential structure that contains five or more units.

**Other products:** Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

**Owner-occupied units:** Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

**Qualified investment:** A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

**Rated area:** A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

**Small loan(s) to business(es):** A loan included in 'loans to small businesses' as defined in the Federal Financial Institutions Examination Council's (FFIEC) Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of \$1.0 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

**Small loan(s) to farm(s):** A loan included in 'loans to small farms' as defined in the instructions for the Call Report. These loans have original amounts of \$500,000 or less and are either secured by farmland or are classified as loans to finance agricultural production and other loans to farmers.

**Upper-income:** Individual income that is more than 120.0% of the area median income, or a median family income that is more than 120.0%, in the case of a geography.