

PUBLIC DISCLOSURE

July 31, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Israel Discount Bank of New York
Certificate Number: 19977

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New York, New York 10036

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
New York Regional Office

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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.

TABLE OF CONTENTS

INSTITUTION RATING	3
DESCRIPTION OF INSTITUTION	4
DESCRIPTION OF ASSESSMENT AREAS.....	5
SCOPE OF EVALUATION.....	6
CONCLUSIONS ON PERFORMANCE CRITERIA.....	7
DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW.....	9
MULTISTATE ASSESSMENT AREA.....	10
DESCRIPTION OF THE INSTITUTION’S OPERATIONS IN THE MULTISTATE ASSESSMENT AREA	10
DESCRIPTION OF THE MULTISTATE ASSESSMENT AREA.....	10
SCOPE OF EVALUATION – MULTISTATE ASSESSMENT AREA	13
CONCLUSIONS ON PERFORMANCE CRITERIA IN THE MULTISTATE ASSESSMENT AREA.....	13
CALIFORNIA	17
DESCRIPTION OF THE INSTITUTION’S OPERATIONS IN CALIFORNIA.....	17
DESCRIPTION OF THE CALIFORNIA ASSESSMENT AREA	17
SCOPE OF EVALUATION – CALIFORNIA ASSESSMENT AREA	20
CONCLUSIONS ON PERFORMANCE CRITERIA IN THE CALIFORNIA ASSESSMENT AREA.....	20
FLORIDA	23
DESCRIPTION OF THE INSTITUTION’S OPERATIONS IN THE FLORIDA ASSESSMENT AREA.....	23
DESCRIPTION OF THE FLORIDA ASSESSMENT AREA.....	23
SCOPE OF EVALUATION - FLORIDA	26
CONCLUSIONS ON PERFORMANCE CRITERIA IN THE FLORIDA ASSESSMENT AREA.....	26
GLOSSARY	29

INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Outstanding**.

An institution in this group has an outstanding record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities.

Israel Discount Bank of New York's outstanding performance under the Community Development Test supports the overall rating. The following points summarize the bank's performance.

- The institution has a high level of community development loans, community development services, or qualified investments.
- The institution occasionally uses innovative or complex qualified investments, community development loans, or community development services.
- The institution exhibits excellent responsiveness to credit and community economic development needs in its assessment areas.

DESCRIPTION OF INSTITUTION

Israel Discount Bank of New York (IDBNY) is a New York state-chartered commercial bank owned by Discount Bancorp, Inc., a Delaware based holding company. Discount Bancorp, Inc. is a wholly owned subsidiary of Israel Discount Bank Limited, a banking corporation organized in Tel Aviv, Israel. IDBNY maintains several subsidiaries, primarily for real estate holding activities. None of the subsidiaries engages in banking activities.

IDBNY received an “Outstanding” rating at its previous FDIC Performance Evaluation dated April 27, 2020, based on Interagency Wholesale Institution Community Reinvestment Act (CRA) Examination Procedures.

IDBNY operates seven full-service banking offices within its assessment areas, including three in New York, one in New Jersey, two in California, and one in Florida. The bank maintains a loan production office in Suffolk County, New York. The bank also maintains an International Banking Facility at its main office in New York City, and representative offices in Chile, Israel, and Uruguay. All banking offices provide domestic and international banking services to its clients and loans to its commercial customers. IDBNY did not open or close any branches since the previous evaluation, nor did it participate in any merger or acquisition activities.

IDBNY received a Wholesale Bank designation from the FDIC on April 23, 2010, in accordance with Section 345.25 of the FDIC’s Rules and Regulations. IDBNY’s business model targets middle-market companies and international businesses, with an emphasis on Israeli-related finance activities. The bank also offers wealth management focused private banking services to high net worth individuals. The bank’s business strategy limits the type of loan products offered in its assessment areas. The types of financing offered include commercial real estate, import/export trade finance, and healthcare industry receivables. As a wholesale institution, IDBNY typically does not offer any consumer loan products to retail customers, though it will do so as an accommodation to existing private banking customers and bank employees.

The bank offers a variety of business products and services, including limited consumer banking services. Banking services include deposit products such as checking accounts, money market accounts, and certificates of deposit. IDBNY also offers online banking services that allow existing customers 24-hour access to their accounts.

As of June 30, 2023, the bank reported total assets of \$12.2 billion, total loans of \$8.1 billion, and total deposits of \$10.3 billion. Since the previous evaluation, total assets increased 18.3 percent, total deposits increased 18.5 percent, and net loans increased 20.2 percent.

The following table details the bank’s loan portfolio as of June 30, 2023.

Loan Portfolio Distribution		
Loan Category	\$(000s)	%
Construction, Land Development, and Other Land Loans	413,198	5.0
Secured by 1-4 Family Residential Properties	108,826	1.3
Secured by Multifamily (5 or more) Residential Properties	681,989	8.2
Secured by Non-farm Non-Residential Properties	2,338,668	28.3
Total Real Estate Loans	3,542,681	42.8
Commercial and Industrial Loans	2,999,032	36.2
Consumer	16,122	0.2
Other Loans	1,734,747	21.0
Less: Unearned Income	(16,156)	-0.2
Total Loans	8,276,426	100.0

Source: June 30, 2023 Report of Condition and Income

Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet the credit needs of its assessment areas.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires financial institutions to define one or more assessment areas (AA) within which its CRA performance will be evaluated. IDBNY identified the following three AAs:

New York/New Jersey/Pennsylvania Multistate Assessment Area (Multistate AA): This AA consists of 23 counties in New York, New Jersey, and Pennsylvania. The New York portion consists of Bronx, Kings, New York, Putnam, Queens, Richmond, Rockland, and Westchester Counties in the New York-Jersey City-White Plains, NY-NJ Metropolitan Division (MD) #35614; and Nassau and Suffolk Counties in the Nassau County-Suffolk County, NY MD #35004. The New Jersey portion includes Essex, Hunterdon, Morris, Sussex, and Union Counties in the Newark, NJ-PA MD #35084; Middlesex, Monmouth, Ocean, and Somerset Counties in the New Brunswick-Lakewood, NJ Metropolitan Statistical Area (MSA) #35154; and Bergen, Hudson, and Passaic Counties in the New York-Jersey City-White Plains NY-NJ MD #35614. The Pennsylvania portion includes Pike County, which is in the Newark, NJ-PA MD #35084. The counties included in this AA compose the New York-Newark-Jersey City, NY-NJ-PA MSA #35620 in its entirety.

California Assessment Area (California AA): This assessment area is comprised of Los Angeles County, which is in the Los Angeles-Long Beach-Glendale, CA MD #31084, and Orange County, which is in the Anaheim-Santa Ana-Irvine, CA MD #11244. Both counties are located within the broader Los Angeles-Long Beach-Anaheim, California MSA #31080.

Florida Assessment Area (Florida AA): This assessment area is comprised of Broward County, which is located in the Fort Lauderdale-Pompano Beach-Sunrise, FL MD #22744; Miami-Dade County, which is in the Miami-Miami Beach-Kendall, FL MD #33124; and Palm Beach County, which is in the West Palm Beach-Boca Raton-Boynton Beach, FL MD #48424.

All of these counties are located within the Miami-Fort Lauderdale-Pompano Beach, Florida MSA #33100.

Refer to the individual rated area sections of this evaluation for additional information on each area.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated April 27, 2020, to the current evaluation dated July 31, 2023. Examiners evaluated IDBNY's CRA performance using Interagency Wholesale Institution CRA Examination Procedures. These procedures include a Community Development Test that analyzes performance according to the following criteria:

- Community development lending, qualified investments, or community development services;
- Use of innovative or complex qualified investments, community development loans, or community development services; and the extent to which investments are not routinely provided by private investors; and
- Responsiveness to community credit and development needs.

Examiners used full-scope procedures to evaluate IDBNY's performance in its assessment areas. The evaluation includes a separate rating for each assessment area. The bank's overall rating considered the individual AA ratings; however, examiners placed the most emphasis on the bank's performance in the Multistate AA, as this AA accounts for the largest portion of its operations and the majority of its deposit base, followed by the California and Florida AAs, respectively.

Activities Reviewed

This evaluation assessed IDBNY's performance in meeting the community development needs of its assessment areas through its community development lending, qualified investments (including grants and donations), and community development services. Examiners considered the institution's capacity and the need and availability of such opportunities. Importantly, a wholesale bank is not required to engage in all three types of community development activities to receive a "Satisfactory" or better rating.

This evaluation considered all of IDBNY's community development activities conducted within its assessment areas and the broader regional and statewide area. To assess IDBNY's performance, examiners relied on bank records, publicly available financial information, demographic and economic information, and other information gathered during the evaluation process. Since IDBNY operates as a wholesale bank primarily focused on wealth management

and commercial lending, examiners did not review or analyze home mortgage, small business, or small farm loan products.

The table below details the bank’s deposits and branch operations by assessment area.

Deposits and Branches by Assessment Area				
Assessment Area	Deposits		Branches	
	\$(000s)	%	#	%
Multistate	9,194,511	84.9	4	57.1
California	648,758	6.0	2	28.6
Florida	987,164	9.1	1	14.3
Total	10,830,433	100.0	7	100.0

Source: FDIC Deposit Market Share Data (06/30/2022)

CONCLUSIONS ON PERFORMANCE CRITERIA

Investment, Loan, and Service Activity

IDBNY has a high level of community development loans, community development services, or qualified investments. The high level of community development loans in the Multistate AA and the nationwide area primarily supports this conclusion. Although the bank’s performance in its California and Florida assessment areas was not strong as in the Multistate AA, performance in these two areas received significantly less weighting in the overall rating.

IDBNY’s level of community development lending, investments, and services is lower compared to its prior evaluation; however, its performance compared favorably to the performance of other similar wholesale banks operating inside the bank’s assessment areas. Additionally, the bank originated a high volume of community development loans in the nationwide area. These loans supported healthcare and nursing facilities located in low- and moderate-income areas or that primarily serve low- and moderate-income persons. Furthermore, the bank participated in the federal government’s Paycheck Protection Program, which was an emergency loan program that provided financial relief and assistance to small businesses during the COVID-19 pandemic.

Community Development Loans

During the evaluation period, the bank originated 46 community development loans totaling \$355 million. These community development loans focused on providing community services, promoting economic development, and revitalizing and stabilizing primarily low- and moderate-income areas.

The bank’s community development lending level represents 2.9 percent of total assets (\$12.2 billion) and 4.4 percent of total loans (\$8.1 billion), as of June 30, 2023. In terms of dollar distribution, 35.4 percent of the bank’s total community development lending was in the Multistate AA, 4.2 percent was in California, 5.7 percent was in Florida, and 54.7 percent benefitted the nationwide area. Although the majority of IDBNY’s community development

lending was outside its assessment area, examiners gave credit for these loans because the bank was responsive to the community development needs within its assessment areas.

The table below details the bank’s community development lending activity since the prior evaluation by area and purpose.

Community Development Lending by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Multistate	2	20,250	9	96,946	0	0	8	8,524	19	125,720
California	2	3,500	1	3,290	0	0	4	8,000	7	14,790
Florida	0	0	0	0	0	0	6	20,381	6	20,381
TOTAL INSIDE	4	23,750	10	100,236	0	0	18	36,905	32	160,891
Outside Assessment Area	0	0	14	194,019	0	0	0	0	14	194,019
Total	4	23,750	24	294,255	0	0	18	36,905	46	354,910

Source: Bank Data

A significant portion of IDBNY’s community development lending benefitted nationwide areas. These loans related to healthcare or nursing facilities located in low- and moderate-income areas or that served primarily low- and moderate-income persons. The following are examples of the bank’s community development loans in the nationwide area:

- IDBNY originated a \$37 million loan that financed the renovation and operational expenses of a 180-bed nursing facility. The majority of the patients in the facility are low-income Medicaid recipients.
- In 2021, the bank originated a \$57 million loan, the proceeds of which were used to construct an 82-bed medical facility and maintain operations of an existing 225-bed nursing facility. Both healthcare facilities are located in a low-income area and serve patients with severe disabilities requiring extensive care. Over 80 percent of the facilities’ patients are low-income Medicaid recipients.

Qualified Investments

The following table shows the bank maintained or made 20 qualified community development investments or donations totaling \$50.9 million. The investments included securities of \$50.8 million and grants and donations of \$30,100. This total represents 0.4 percent of total assets (\$12.2 billion) and 1.9 percent of total securities (\$2.7 billion), as of June 30, 2023. By dollar distribution, 85.7 percent of IDBNY’s qualified investments were in the Multistate AA, 9.9 percent were in the California AA, and 4.4 percent were within the Florida AA. All of the securities supported affordable housing for low- and moderate-income families, while all of the donations supported various community service initiatives within the AAs.

The table below details the bank’s qualified investments by area and purpose.

Qualified Investments by Assessment Area										
Assessment Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Multistate	6	43,599	7	20	0	0	0	0	13	43,619
California	3	5,017	1	5	0	0	0	0	4	5,022
Florida	2	2,256	1	5	0	0	0	0	3	2,261
Total	11	50,872	9	30	0	0	0	0	20	50,902
<i>Source: Bank Data</i>										

Community Development Services

During the evaluation period, bank employees provided eight instances of financial expertise or technical assistance to low- and moderate-income individuals and community development-related organizations. All of the bank’s community development services were performed within the Multistate AA during 2022. The bank’s activities were split evenly between community services primarily benefitting low- and moderate-income individuals, and economic development initiatives supporting low- and moderate-income areas.

Investment, Loan, and Service Initiatives

IDBNY occasionally uses innovative or complex qualified investments, community development loans, or community development services. During the evaluation period, IDBNY participated in the Paycheck Protection Program (PPP), which was an emergency loan program that provided financial relief and assistance to small businesses experiencing hardship due to the pandemic. The PPP financing featured a 100.0 percent SBA loan guarantee on loans up to \$10 million. Additionally, businesses paid a below-market fixed interest rate of 1.0 percent over a two-year term, and the loans were fully forgiven if the business retained the required minimum percentage of workers on the payroll. IDBNY originated 20 PPP loans totaling \$23.7 million. The majority of the PPP loans originated by the bank were for less than \$1 million, which is significantly lower than the loan amounts the bank traditionally originates. This PPP activity demonstrates the bank’s responsiveness to immediate and changing community development needs.

Responsiveness to Community Development Needs

The institution exhibits excellent responsiveness to credit and community economic development needs in its assessment areas. In particular, community development activities are responsive to the identified affordable housing and economic development needs in the assessment area.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the institution’s overall CRA rating.

MULTISTATE ASSESSMENT AREA

CRA RATING FOR THE MULTISTATE ASSESSMENT AREA: OUTSTANDING

IDBNY has an excellent record of addressing the community development needs of the Multistate AA, primarily through its community development lending and qualified investments.

DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN THE MULTISTATE ASSESSMENT AREA

IDBNY operates four full-service offices in the Multistate AA, including its main office in New York County, New York; one branch office each in Kings and Richmond Counties, New York; and one branch office in Essex County, New Jersey. According to the June 30, 2022 FDIC deposit market share data, IDBNY had deposits of \$9.2 billion in the Multistate AA.

DESCRIPTION OF THE MULTISTATE ASSESSMENT AREA

IDBNY's Multistate AA consists of 23 counties in New York, New Jersey, and Pennsylvania. The New York portion consists of Bronx, Kings, Nassau, New York, Putnam, Queens, Richmond, Rockland, Suffolk, and Westchester Counties. The New Jersey portion includes Bergen, Essex, Hudson, Hunterdon, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex, and Union Counties. The Pennsylvania portion includes Pike County. The counties included in this AA compose the New York-Newark-Jersey City, NY-NJ-PA MSA #35620 in its entirety.

Economic and Demographic Data

The Multistate AA includes 4,953 census tracts. These tracts reflect the following income designations according to the 2020 U.S. Census data:

- 501 low-income census tracts,
- 1,060 moderate-income census tracts,
- 1,645 middle-income census tracts,
- 1,551 upper-income census tracts; and
- 196 census tracts with no income designation.

This AA changed since the prior evaluation due to the nationally revised metropolitan area delineations published by the United States Office of Management and Budget (OMB), effective February 2023. The OMB published revised demographic data based on the 2020 U.S. Census. Census tract changes in the 2020 census data resulted in an increase of 411 total tracts, as well as some changes to existing geographic income classifications. As a result, the revised delineation added 5 low-, 87 moderate-, 139 middle-, 76 upper-, and 104 NA-income tracts.

The following table presents select demographic characteristics for the assessment area.

Demographic Information - Multistate Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	4,953	10.1	21.4	33.2	31.3	4.0
Population by Geography	20,140,470	11.2	22.1	32.7	33.0	0.9
Housing Units by Geography	7,756,312	10.5	21.1	32.6	34.9	0.9
Owner-Occupied Units by Geography	3,643,816	3.0	14.5	37.8	44.3	0.4
Occupied Rental Units by Geography	3,421,720	18.9	27.9	27.1	24.8	1.3
Vacant Units by Geography	690,776	8.3	22.0	32.8	35.6	1.3
Businesses by Geography	2,667,779	7.8	17.1	30.5	42.2	2.4
Farms by Geography	31,782	4.2	14.9	35.3	44.8	0.9
Family Distribution by Income Level	4,639,250	24.4	15.8	17.9	41.9	0.0
Household Distribution by Income Level	7,065,536	27.2	14.3	15.7	42.8	0.0
Median Family Income MSA - 35004 Nassau County-Suffolk County, NY		\$130,301	Median Housing Value			\$552,889
Median Family Income MSA - 35154 New Brunswick-Lakewood, NJ		\$113,495	Median Gross Rent			\$1,568
Median Family Income MSA - 35614 New York-Jersey City-White Plains, NY-NJ		\$85,483	Families Below Poverty Level			9.3%
Median Family Income MSA - 35084 Newark, NJ-PA		\$107,333				
<i>Source: 2020 U.S. Census and 2022 D&B Data</i>						
<i>Due to rounding, totals may not equal 100.0%</i>						
<i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

According to 2022 D&B data, there were 2.7 million non-farm businesses operating in the Multistate AA. The gross annual revenues (GARs) for these businesses are as follows:

- 91.7 percent had GARs of \$1 million or less,
- 3.2 percent had GARs greater than \$1 million, and
- 5.1 percent did not report revenues.

The 2022 D&B data shows that 33.9 percent of the employers in the Multistate AA were in the service industry, followed by 29.3 percent in non-classifiable establishments, and 10.7 percent in retail trade. The top employers in the assessment area are Montefiore Health System, Mount Sinai Health System, JPMorgan Chase & Company, Bank of America, and New York-Presbyterian Health System.

According to Moody's Analytics, the New York City area continues to struggle to return to pre-pandemic levels. Job growth in the area has slowed and unemployment continues to increase. While unemployment levels have helped quell inflation, residents are spending less money overall. Higher interest rates have halted consumer loan growth, but have had little effect on the traditionally high housing prices in the area. Although single family prices in the Manhattan area

have decreased, rents in the same area remain high. Consumer industries continue to struggle due to the prevalence of remote work, as the daytime population in previously busy areas continues to wane. Remote work has impacted the commercial real estate market, with office usage less than half of pre-pandemic levels. Although large public and private sector employers' return to office mandates caused a slight increase in office usage, the occupancy increase will likely be unsustainable as other employers elect to adopt fully remote structures.

Unemployment is low within the assessment area. According to data published by the United States Bureau of Labor Statistics, the New York-Newark-Jersey City area unemployment rate was 4.0 percent as of June 2023, which is slightly higher than the New York State rate of 3.9 percent and the national level of 3.6 percent. This reflects the impact of the COVID-19 pandemic, and further indicates ongoing post-pandemic economic challenges.

The table below shows the Federal Financial Institutions Examination Council's (FFIEC) median family income ranges for the areas that comprise the Multistate AA.

Median Family Income Ranges - Multistate Assessment Area				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Nassau County-Suffolk County, NY Median Family Income (35004)				
2022 (\$146,400)	<\$73,200	\$73,200 to <\$117,120	\$117,120 to <\$175,680	≥\$175,680
Newark, NJ-PA Median Family Income (35084)				
2022 (\$116,900)	<\$58,450	\$58,450 to <\$93,520	\$93,520 to <\$140,280	≥\$140,280
New Brunswick-Lakewood, NJ Median Family Income (35154)				
2022 (\$128,300)	<\$64,150	\$64,150 to <\$102,640	\$102,640 to <\$153,960	≥\$153,960
New York-Jersey City-White Plains, NY-NJ Median Family Income (35614)				
2022 (\$99,000)	<\$49,500	\$49,500 to <\$79,200	\$79,200 to <\$118,800	≥\$118,800
<i>Source: FFIEC</i>				

Competition

The bank operates in a highly competitive market. According to the June 30, 2022 FDIC deposit market share data, IDBNY ranked 28th out of 162 institutions operating in the Multistate AA, with a 0.3 percent deposit market share. The deposit market in the Multistate AA is dominated by large national banks, including JPMorgan Chase Bank, N.A., Goldman Sachs Bank USA, and Bank of America, which have a combined market share of 47.6 percent. JPMorgan Chase Bank, N.A. alone has a 31.4 percent deposit market share.

Community Contact

In order to identify the area's community development needs, examiners reviewed a recent community contact interview with an affordable housing association that serves, develops, and preserves affordable housing across the state of New York. The contact stated affordable housing preservation and construction has declined significantly since COVID-19. The contact commented on New York City's economic conditions, noting the presence of high inflation,

construction, and insurance costs in the area. Additionally, there are large amounts of uncollected rents following emergency rental assistance programs, which present emerging eviction risks.

The contact noted competition for affordable housing opportunities based on limited land availability and elevated construction costs. The contact identified an opportunity for institutions to help finance environmentally sustainable affordable housing projects in order to meet state government standards and access government assistance funds, such as through Low-Income Housing Tax Credits. Overall, the contact stated that the COVID-19 pandemic continues to affect the area; therefore, businesses and individuals need assistance from banks through their continued involvement.

Credit and Community Development Needs and Opportunities

Based on information from the community contact, bank management, and the demographic and economic data, the most urgent and ongoing credit need in the AA is affordable housing. The high demand and low availability of housing increases existing home prices and rents, which adversely affects affordability. Small business financing is also a prevalent need in the AA, with 91.7 percent of the businesses operating in the area being small businesses.

SCOPE OF EVALUATION – MULTISTATE ASSESSMENT AREA

Examiners used full-scope examination procedures to evaluate IDBNY's performance in the Multistate assessment area. All products, weighting, and timeframes described in the overall Scope of Evaluation section are applicable to this assessment area analysis.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE MULTISTATE ASSESSMENT AREA

Investment, Loan, and Service Activity

IDBNY has a high level of community development loans, qualified investments, or community development services given the institution's performance context and available opportunities. IDBNY addressed the community development needs of this assessment area primarily through community development loans. Community development loans, qualified investments, and grants and donations totaled approximately \$169.3 million. In addition, bank employees provided eight instances of community development services in the Multistate AA.

Community Development Loans

IDBNY originated 19 community development loans for \$125.7 million within this AA and the regional area, which represents 78.1 percent of the dollar amount of the bank's community development lending within in its AAs, and 35.4 percent of total community development

lending. The bank’s community development loans supported affordable housing, community services, and revitalization and stabilization initiatives within this assessment area.

The table below details the number and dollar amount of community development loans within the assessment area and regional area by year and purpose.

Community Development Lending – Multistate Assessment Area										
Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020 (Partial)	0	0	9	96,946	0	0	8	8,524	17	105,470
2021	0	0	0	0	0	0	0	0	0	0
2022	2	20,250	0	0	0	0	0	0	2	20,250
2023 year to date	0	0	0	0	0	0	0	0	0	0
Total	2	20,250	9	96,946	0	0	8	8,524	19	125,720

Source: Bank Data

The following are notable examples of the bank’s community development loans in this area:

- In 2020, IDBNY originated a \$32 million loan to a senior care facility located in a low-income area of New York City. This loan supports community services, as the majority of the patients are Medicaid recipients and the facility provides access to medical services for the residents of this low-income census tract.
- During the evaluation period, the bank made 14 PPP loans totaling \$21.7 million to customers in the Multistate AA. Eight of these loans helped revitalize or stabilize low- and moderate income areas by supporting the retention of several hundred jobs for low- and moderate-income individuals. The remaining loans supported organizations that provide community services, such as education and healthcare.

Qualified Investments

Since the previous evaluation, IDBNY maintained or extended 13 qualified investments totaling approximately \$43.6 million in the Multistate AA. The qualified investments in the Multistate AA represent 85.7 percent of the bank’s total qualified investments. The majority of the bank’s investments and donations benefitted efforts to provide affordable housing to low- and moderate-income people. These investments and donations demonstrate the bank’s responsiveness to an identified community development need.

The table below details the number and dollar amount of qualified investments within the assessment area by year and purpose.

Qualified Investments – Multistate Assessment Area										
Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Total	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	2	197	0	0	0	0	0	0	2	197
2020 (Partial)	0	0	0	0	0	0	0	0	0	0
2021	2	30,000	0	0	0	0	0	0	2	30,000
2022	2	13,402	0	0	0	0	0	0	2	13,402
2023 year to date	0	0	0	0	0	0	0	0	0	0
Subtotal	6	43,599	0	0	0	0	0	0	6	43,599
Grants & Donations	0	0	7	20	0	0	0	0	7	20
Total	6	43,599	7	20	0	0	0	0	13	43,619

Source: Bank Data

The following are notable examples of the bank’s qualified investments in the Multistate AA:

- In 2021, the bank invested in two \$15 million mortgage-backed securities that support multi-family affordable housing initiatives in the Multistate AA.
- In 2020, the bank donated \$7,500 to an economic development corporation in New York City. The organization provides small business support and education services, as well as financing to small businesses in low- and moderate-income areas.

Community Development Services

Since the previous evaluation, IDBNY employees provided eight instances of community development services, primarily through involvement with various community organizations in the Multistate AA. This figure represents a decrease in activity since the prior evaluation, which identified 13 community development services in this area.

The bank’s community development service activities equally supported community service and economic development initiatives. The assortment of community development activities is responsive to the identified community development needs.

Investment, Loan, and Service Initiatives

The bank occasionally uses innovative or complex community development loans, qualified investments, or community development services. Specifically, the bank originated PPP loans in the financing it provided to small businesses, which helped support community service organizations and revitalize or stabilize low- and moderate-income geographies. The PPP was an innovative loan program developed by the federal government to aid small businesses during the COVID-19 pandemic.

Responsiveness to Community Development Needs

IDBNY exhibits excellent responsiveness to credit and community economic development needs in this assessment area. A portion of the bank's community development lending and most of its qualified investments supported affordable housing, which was identified as the area's primary community development need. The bank's participation in the PPP helped support small businesses, which was also an identified need in the AA. The PPP loans supported job retention in low- and moderate-income areas and funded community development service organizations during the pandemic.

CALIFORNIA

CRA RATING FOR CALIFORNIA: SATISFACTORY

IDBNY has a satisfactory record of addressing the community development needs of the California AA, primarily through the provision of community development loans and qualified investments.

DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN CALIFORNIA

IDBNY operates two full-service branches in the California AA, both in Los Angeles County, California. According to June 30, 2022 FDIC deposit market share data, IDBNY had deposits of \$648.8 million in the California AA.

DESCRIPTION OF THE CALIFORNIA ASSESSMENT AREA

IDBNY has designated one assessment area in the State of California, which is comprised of Los Angeles and Orange Counties. Both counties are located within the Los Angeles-Long Beach-Anaheim, California MSA #31080.

Economic and Demographic Data

The assessment area contains 3,112 census tracts across the two counties. According to 2020 U.S. Census data, these tracts reflect the following income designations:

- 178 low-income tracts
- 856 moderate-income tracts
- 926 middle-income tracts
- 1,071 upper-income tracts; and
- 81 tracts with no income designation

This AA changed since the prior evaluation due to the nationally revised metropolitan area delineations published by the OMB, effective February 2023. The OMB published revised demographic data based on the 2020 U.S. Census. Census tract changes in the 2020 census data resulted in an increase of 183 total tracts, as well as some changes to existing geographic income classifications. As a result, the revised delineation reflects an increase of 35 moderate-, 166 middle-, 43 upper-, and 27 NA-income tracts, and a decrease of 88 low-income tracts.

The following table details select demographic characteristics of the assessment area.

Demographic Information - California Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	3,112	5.7	27.5	29.8	34.4	2.6
Population by Geography	13,200,998	5.2	28.3	30.9	34.4	1.1
Housing Units by Geography	4,661,034	4.8	25.4	29.8	38.7	1.3
Owner-Occupied Units by Geography	2,129,700	1.4	17.1	31.6	49.6	0.3
Occupied Rental Units by Geography	2,242,805	8.2	33.8	28.7	27.3	2.0
Vacant Units by Geography	288,529	4.4	21.4	25.3	46.4	2.4
Businesses by Geography	1,796,581	3.4	18.6	27.3	48.1	2.6
Farms by Geography	17,110	2.5	17.9	29.1	49.0	1.5
Family Distribution by Income Level	2,953,482	23.7	16.5	17.9	41.9	0.0
Household Distribution by Income Level	4,372,505	25.6	15.2	16.7	42.5	0.0
Median Family Income MSA - 11244 Anaheim-Santa Ana-Irvine, CA		\$106,451	Median Housing Value			\$696,400
Median Family Income MSA - 31084 Los Angeles-Long Beach-Glendale, CA		\$80,317	Median Gross Rent			\$1,676
			Families Below Poverty Level			9.6%
<i>Source: 2020 U.S. Census and 2022 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

According to 2022 D&B data, there were 1.8 million businesses operating in the California AA. The following are the GARs for these businesses:

- 95.0 percent had GARs of \$1 million or less;
- 1.6 percent had GARs of more than \$1 million;
- 3.4 percent did not report annual revenues.

According to Moody’s Analytics, the economic growth within this assessment area is slowing down. However, the area economy is more resilient in comparison to other California economies, due to strengths within the healthcare industry, as well as the leisure and hospitality industry. Nonetheless, weaknesses in both the tech industry due to layoffs and the entertainment industry due to the current writer strike impact economic growth in the area. Additionally, housing prices remain overvalued, which creates limited affordable housing opportunities for borrowers within the area.

Unemployment rates peaked in the early months of the evaluation period due to the COVID-19 pandemic. For example, in June 2020, the unemployment rate was 17.8 percent in Los Angeles County and 13.1 percent in Orange County. Unemployment rates have decreased as the pandemic and its effects have subsided. In June 2023, the unemployment rate was 5.3 percent in Los Angeles County and 3.7 percent in Orange County.

According to Moody’s Analytics, major employers in the Los Angeles portion of the assessment area include Cedars-Sinai Medical Center; Los Angeles International Airport; University of

California, Los Angeles; and VXI Global Solutions. Major employers in the Orange County portion of the AA include Disney Resorts; University of California, Irvine; St. Joseph Health; Kaiser Permanente; and Target Brands, Inc.

The table below shows the FFIEC’s median family income ranges for the California assessment area for 2020 through 2022.

Median Family Income Ranges - California Assessment Area				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Anaheim-Santa Ana-Irvine, CA Median Family Income (11244)				
2020 (\$103,000)	<\$51,500	\$51,500 to <\$82,400	\$82,400 to <\$123,600	≥\$123,600
2021 (\$106,700)	<\$53,350	\$53,350 to <\$85,360	\$85,360 to <\$128,040	≥\$128,040
2022 (\$119,100)	<\$59,550	\$59,550 to <\$95,280	\$95,280 to <\$142,920	≥\$142,920
Los Angeles-Long Beach-Glendale, CA Median Family Income (31084)				
2020 (\$77,300)	<\$38,650	\$38,650 to <\$61,840	\$61,840 to <\$92,760	≥\$92,760
2021 (\$80,000)	<\$40,000	\$40,000 to <\$64,000	\$64,000 to <\$96,000	≥\$96,000
2022 (\$91,100)	<\$45,550	\$45,550 to <\$72,880	\$72,880 to <\$109,320	≥\$109,320
<i>Source: FFIEC</i>				

Competition

The bank operates in a highly competitive banking environment within its assessment area. According to FDIC Deposit Market Share data as of June 30, 2022, 109 financial institutions operated 2,144 offices in the assessment area. IDBNY ranked 53rd with a deposit market share of less than 0.1 percent. The five institutions with the highest deposit market shares accounted for 47.5 percent of total deposit market share.

Community Contact

Examiners reviewed a recent community contact interview with a non-profit economic development organization. The contact stated that the primary credit need of local small businesses includes low fixed-rate loans with longer terms. Small business financial literacy training and education, including offering industry specific education, is also a need, along with increased financial institution involvement. Additionally, many businesses have difficulty hiring and retaining employees due to the high cost of living. Lastly, the contact indicated more financial institutions should consider providing pass-through grants to small businesses for technology and equipment.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, as well as demographic and economic data, examiners determined that affordable housing is a primary need in the assessment area, particularly given the area’s high housing costs. Additionally, there is a need for small business financing and financial literacy training for small business owners.

SCOPE OF EVALUATION – CALIFORNIA ASSESSMENT AREA

Examiners used full-scope examination procedures to evaluate IDBNY’s performance in the California assessment area. All products, weighting, and timeframes described in the overall Scope of Evaluation section are applicable to this assessment area analysis.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE CALIFORNIA ASSESSMENT AREA

Investment, Loan, and Service Activity

IDBNY has an adequate level of community development loans, community development services, or qualified investments in the California AA. IDBNY addressed the community development needs of this assessment area primarily through community development loans. Community development loans, qualified investments, and grants and donations totaled approximately \$19.8 million.

Community Development Loans

During the evaluation period, the bank originated seven loans totaling \$14.8 million, which represents 4.2 percent of the bank’s total community development lending activity. This represented an increase of 16.6 percent by number of loans and a decrease of 61.2 percent by dollar volume compared to the prior evaluation, which reported six community development loans totaling \$38.3 million in the California AA.

The table below details the bank’s community development lending within the assessment area and regional area by year and purpose.

Community Development Lending - California Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020 (Partial)	1	1,400	0	0	0	0	2	300	3	1,700
2021	0	0	0	0	0	0	0	0	0	0
2022	0	0	0	0	0	0	0	0	0	0
2023 year to date	1	2,100	1	3,290	0	0	2	7,700	4	13,090
Total	2	3,500	1	3,290	0	0	4	8,000	7	14,790
<i>Source: Bank Data</i>										

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

- In 2020, the bank originated two PPP loans totaling approximately \$300,000 to small businesses located in moderate income census tracts. The proceeds of the loans were used to retain employees through the COVID-19 pandemic, which helped revitalize or stabilize the moderate-income areas.
- In 2020, the bank originated a \$14 million loan secured by a mixed-income housing property within the AA. Ten percent of the units in the property were set aside for low- and moderate-income individuals during the first 30 years of building occupancy. Examiners qualified \$1.4 million of the total loan amount as a community development loan based on the affordable housing unit allocation.

Qualified Investments

IDBNY maintained or extended four qualified investments totaling approximately \$5 million in the California AA, which represents 0.9 percent of the bank’s total qualified investments. Total qualified investments increased significantly since the prior evaluation, which reported total qualified investments of \$1.9 million.

The table below details the bank’s qualified investments within this AA by year and purpose.

Qualified Investments – California Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	2	363	0	0	0	0	0	0	2	363
2020 (Partial)	0	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0	0	0
2022	1	4,654	0	0	0	0	0	0	1	4,654
2023 year to date	0	0	0	0	0	0	0	0	0	0
Subtotal	3	5,017	0	0	0	0	0	0	3	5,017
Qualified Grants & Donations	0	0	1	5	0	0	0	0	1	5
Total	3	5,017	1	5	0	0	0	0	4	5,022
<i>Source: Bank Data</i>										

The following is a notable example of a qualified investment in the California AA:

- In 2022, the bank obtained a \$4.7 million mortgage-backed security that supported affordable housing. The security is collateralized by mortgages to low- and moderate-income borrowers in the California AA.

Community Development Services

During the evaluation period, IDBNY employees did not provide any community development services in the California AA.

Investment, Loan, and Service Initiatives

The bank occasionally uses innovative or complex community development loans, qualified investments, or community development services. Specifically, the bank originated PPP loans in the financing it provided to small businesses, which helped to revitalize or stabilize low- and moderate-income geographies. The PPP was an innovative loan program developed by the federal government to aid small businesses during the COVID pandemic.

Responsiveness to Community Development Needs

IDBNY exhibited adequate responsiveness to the credit and community economic development needs within the California assessment area. The bank's performance was based on its community development lending and qualified investment activities, as these most directly reflect the institution's efforts to reinvest in its community. The bank's community development activities primarily supported the assessment area's need for affordable housing. Additionally, IDBNY's community development loans were responsive to the assessment area's needs by financing small businesses, a credit need identified during a community contact.

FLORIDA

CRA RATING FOR FLORIDA: SATISFACTORY

IDBNY has a satisfactory record of addressing the community development needs of the Florida AA, primarily through the provision of community development loans and qualified investments.

DESCRIPTION OF THE INSTITUTION'S OPERATIONS IN THE FLORIDA ASSESSMENT AREA

IDBNY operates one full-service branch in Miami-Dade County, Florida. According to June 30, 2022 FDIC deposit market share data, IDBNY had deposits of \$987.2 million in the Florida AA.

DESCRIPTION OF THE FLORIDA ASSESSMENT AREA

IDBNY has designated one assessment area in the State of Florida, consisting of Broward County, which is located in the Fort Lauderdale-Pompano Beach-Sunrise, FL MD #22744; Miami-Dade County, which is in the Miami-Miami Beach-Kendall, FL MD #33124; and Palm Beach County, which is in the West Palm Beach-Boca Raton-Boynton Beach, FL MD #48424. All of these counties are located within the Miami-Fort Lauderdale-Pompano Beach, Florida MSA #33100.

Economic and Demographic Data

The assessment area contains 1,497 census tracts across the three counties. According to 2020 U.S. Census data, these tracts reflect the following income designations:

- 79 low-income tracts
- 394 moderate-income tracts
- 456 middle-income tracts
- 512 upper-income tracts
- 56 tracts with no income designation

This AA changed since the prior evaluation due to the nationally revised metropolitan area delineations published by the OMB, effective February 2023. The OMB published revised demographic data based on the 2020 U.S. Census. Census tract changes in the 2020 census data resulted in an increase of 278 total tracts, as well as some changes to existing geographic income classifications. As a result, the revised delineation reflects an increase of 3 low-, 50 moderate-, 97 middle-, 103 upper-, and 25 NA-income tracts.

The following table details select demographic characteristics of the assessment area.

Demographic Information - Florida Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	1,497	5.3	26.3	30.5	34.2	3.7
Population by Geography	6,138,333	4.7	28.0	31.4	34.4	1.5
Housing Units by Geography	2,548,767	4.8	27.4	30.9	35.5	1.5
Owner-Occupied Units by Geography	1,299,739	2.9	21.8	32.1	42.2	1.0
Occupied Rental Units by Geography	873,001	7.8	37.4	31.0	22.0	1.8
Vacant Units by Geography	376,027	4.5	23.5	26.3	43.6	2.2
Businesses by Geography	1,969,338	2.9	22.1	29.2	43.1	2.7
Farms by Geography	23,703	3.8	24.7	30.2	40.0	1.3
Family Distribution by Income Level	1,418,815	22.5	17.6	18.0	41.9	0.0
Household Distribution by Income Level	2,172,740	24.7	16.0	16.8	42.5	0.0
Median Family Income MSA - 48424 West Palm Beach-Boca Raton-Boynton Beach, FL		\$79,785	Median Housing Value			\$321,948
Median Family Income MSA - 22744 Fort Lauderdale-Pompano Beach-Sunrise, FL		\$73,430	Median Gross Rent			\$1,449
Median Family Income MSA - 33124 Miami-Miami Beach-Kendall, FL		\$60,666	Families Below Poverty Level			10.6%
<i>Source: 2020 U.S. Census and 2022 D&B Data</i> <i>Due to rounding, totals may not equal 100.0%</i> <i>(*) The NA category consists of geographies that have not been assigned an income classification.</i>						

According to 2022 D&B data, there were nearly two million businesses operating in the Florida AA. The following are the GARs for these businesses:

- 95.0 percent had GARs of \$1 million or less;
- 1.6 percent had GARs of more than \$1 million;
- 3.4 percent did not report annual revenues.

According to Moody’s Analytics, the economic growth within this assessment area is slowing. Although the leisure and hospitality industry remains one of this area’s strengths, current national economic conditions spurred by the COVID-19 pandemic and looming inflation has weakened demand for travel and subsequently caused a decline in tourist spending. While these conditions have impacted hospitality job creation in the greater Miami metropolitan area, unemployment rates within the area are near historic lows. Additionally, housing prices began to slightly decline in 2023, with properties taking longer to sell and selling below asking price. According to Moody’s Analytics, this will help balance the under-supplied housing market and subdue some housing affordability issues within the area.

At the start of the evaluation period, unemployment rates peaked due to the COVID-19 pandemic. For example, in June 2020, the area unemployment rate was 12.4 percent. In June 2023, the unemployment rate decreased to 2.4 percent. According to Moody’s Analytics, major employers in this assessment area include Publix Super Markets; Baptist Health South Florida; American Airlines; Jackson Health System; and Florida International University.

The following table presents the FFIEC-updated median family income levels in the Florida assessment area for 2020 through 2022.

Median Family Income Ranges - Florida Assessment Area				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Fort Lauderdale-Pompano Beach-Sunrise, FL Median Family Income (22744)				
2020 (\$74,800)	<\$37,400	\$37,400 to <\$59,840	\$59,840 to <\$89,760	≥\$89,760
2021 (\$73,400)	<\$36,700	\$36,700 to <\$58,720	\$58,720 to <\$88,080	≥\$88,080
2022 (\$82,100)	<\$41,050	\$41,050 to <\$65,680	\$65,680 to <\$98,520	≥\$98,520
Miami-Miami Beach-Kendall, FL Median Family Income (33124)				
2020 (\$59,100)	<\$29,550	\$29,550 to <\$47,280	\$47,280 to <\$70,920	≥\$70,920
2021 (\$61,000)	<\$30,500	\$30,500 to <\$48,800	\$48,800 to <\$73,200	≥\$73,200
2022 (\$68,300)	<\$34,150	\$34,150 to <\$54,640	\$54,640 to <\$81,960	≥\$81,960
West Palm Beach-Boca Raton-Boynton Beach, FL Median Family Income (48424)				
2020 (\$79,100)	<\$39,550	\$39,550 to <\$63,280	\$63,280 to <\$94,920	≥\$94,920
2021 (\$80,200)	<\$40,100	\$40,100 to <\$64,160	\$64,160 to <\$96,240	≥\$96,240
2022 (\$90,300)	<\$45,150	\$45,150 to <\$72,240	\$72,240 to <\$108,360	≥\$108,360
<i>Source: FFIEC</i>				

Competition

The bank operates in a highly competitive banking environment within its assessment area. According to FDIC Deposit Market Share data as of June 30, 2022, 83 financial institutions operated 1,372 offices in the assessment area. IDBNY ranked 34th with a deposit market share of approximately 0.3 percent. The five institutions with the highest deposit market shares accounted for 43.4 percent of total deposit market share.

Community Contact

Examiners reviewed a recent community contact interview with an economic development organization serving Miami-Dade County to help identify credit and community development needs. According to the contact, Miami has experienced an influx of new companies and jobs in the last five years, with 320 companies accounting for 20,000 new jobs. In 2022 alone, over 85 new companies relocated to the Miami area, which accounted for 5,500 jobs. The influx of new companies and jobs has caused a cost of living crisis in Miami-Dade County, as the cost of living is disproportionate to income levels. Additionally, home prices increased by 150 percent in the last decade, and rents increased by 40 to 50 percent.

The contact also noted that small businesses employ 80 percent of the workforce in Miami. Many of these businesses had to shut down or relied heavily on funding from the government during the COVID-19 pandemic. The contact stated there is an opportunity for local financial institutions to provide commercial real estate and small business loans.

Credit and Community Development Needs and Opportunities

Considering information from the community contact, as well as demographic and economic data, examiners determined that affordable housing is a primary need in the assessment area. Additionally, there are also opportunities for small business and commercial real estate lending in this assessment area.

SCOPE OF EVALUATION - FLORIDA

Examiners used full-scope examination procedures to evaluate IDBNY's performance in the Florida assessment area. All products, weighting, and timeframes described in the overall Scope of Evaluation section are applicable to this assessment area analysis.

CONCLUSIONS ON PERFORMANCE CRITERIA IN THE FLORIDA ASSESSMENT AREA

Investment, Loan, and Service Activity

IDBNY has an adequate level of community development loans, community development services, or qualified investments in the Florida AA and regional area. IDBNY addressed the community development needs of this assessment area primarily through community development loans. Community development loans, qualified investments, and grants and donations totaled approximately \$22.6 million.

Community Development Loans

During the evaluation period, the bank originated six loans totaling \$20.4 million, which represents 5.7 percent of the bank's total community development lending activity. This represented a significant decrease in dollar volume since the prior evaluation period, when the bank originated six community development loans totaling \$158.5 million in the Florida AA and regional area. By number volume, the bank community development lending did not change from the prior evaluation; however, by dollar volume, the bank's community development lending decreased by 87.1 percent.

The table below details the bank's community development lending within the assessment area and regional area, by year and purpose.

Community Development Lending – Florida Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2020 (Partial)	0	0	0	0	0	0	5	12,806	5	12,806
2021	0	0	0	0	0	0	1	7,575	1	7,575
2022	0	0	0	0	0	0	0	0	0	0
2023 year to date	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	6	20,381	6	20,381

Source: Bank Data

The following are examples of the community development loans made in this assessment area:

- In 2020, the bank originated a \$4.9 million loan secured by three gas stations located in moderate-income census tracts. This loan supported revitalization by helping to retain existing businesses located in multiple moderate-income census tracts within this area.
- In 2021, the bank originated a \$7.6 million loan secured by a shopping center in a moderate-income census tract. The primary tenant of the shopping center is a grocery store, which employs and serves residents of the moderate-income area. As such, this loan supported the revitalization and stabilization of this moderate-income census tract.

Qualified Investments

IDBNY maintained or extended three qualified investments totaling approximately \$2.3 million in the Florida AA, which represents 4.4 percent of the bank’s total qualified investments. Total qualified investments increased since the prior evaluation, which reported total qualified investments of \$1.6 million.

The table below details the bank’s qualified investments within this AA by year and purpose.

Qualified Investments – Florida Assessment Area										
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	1	13	0	0	0	0	0	0	1	13
2020	0	0	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0	0	0
2022	1	2,243	0	0	0	0	0	0	1	2,243
2023 year to date	0	0	0	0	0	0	0	0	0	0
Subtotal	2	2,256	0	0	0	0	0	0	2	2,256
Qualified Grants & Donations	0	0	1	5	0	0	0	0	1	5
Total	2	2,256	1	5	0	0	0	0	3	2,261

Source: Bank Data

The following is a notable example of a qualified investment in the Florida AA:

- In 2022, the bank obtained a \$2.2 million mortgage-backed security that supported affordable housing. The security is collateralized by mortgages to low- and moderate-income borrowers in the Florida AA.

Community Development Services

During the evaluation period, IDBNY employees did not provide any community development services in the Florida AA.

Investment, Loan, and Service Initiatives

The bank occasionally uses innovative or complex community development loans, qualified investments, or community development services. Specifically, the bank originated PPP loans in the financing it provided to small businesses, which helped revitalize or stabilize low- and moderate-income geographies. The PPP was an innovative loan program developed by the federal government to aid small businesses during the COVID pandemic.

Responsiveness to Community Development Needs

IDBNY exhibited adequate responsiveness to the credit and community economic development needs within the Florida assessment area. The bank's performance was based on its community development lending and qualified investment activities, as these most directly reflect the institution's efforts to reinvest in its community. The bank's community development activities primarily supported the assessment area's need for affordable housing. Additionally, IDBNY's qualified loans were responsive to the assessment area needs by financing small businesses and commercial customers, a credit need identified during the community contact review.

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.

American Community Survey (ACS): A nationwide United States Census survey that produces demographic, social, housing, and economic estimates in the form of five year estimates based on population thresholds.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms; or
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that:

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
 - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community Development Service: A service that:

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

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.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

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. Other family 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).

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (e.g., 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 applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Loans: Includes closed-end mortgage loans or open-end line of credits as defined in the HMDA regulation that are not an excluded transaction per the HMDA regulation.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area.

Performance under applicable tests is often analyzed using only quantitative factors (e.g., geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

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.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Multi-family: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area (also known as non-MSA): All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

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 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.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area’s population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

Upper-Income: Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

“Urban” excludes the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.