PUBLIC DISCLOSURE

July 27, 2026

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Israel Discount Bank of New York
Certificate Number: 19977

1114 Avenue of the Americas
New York, New York 10036

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

350 Fifth Avenue, Suite 1200
New York, New York 10118

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 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, and qualified investments.
- The institution rarely 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 state-chartered, wholesale commercial bank headquartered in New York, New York. The bank operates seven branches throughout New York, New Jersey, California, and Florida; an operations center in New York; and representative offices in Chile, Israel, and Uruguay. IDBNY is wholly owned by holding company Discount Bancorp, Inc. (DBI), which is 95 percent owned by Israel Discount Bank Limited, in Tel Aviv, Israel, and five percent owned by private investment firm Gallatin Point Capital, LLC based in Greenwich, Connecticut.

The bank received an "Outstanding" rating at the previous FDIC Performance Evaluation, dated July 31, 2023, using the Interagency Wholesale Institution CRA Examination Procedures.

Operations

Of the bank's seven full-service branches, three are in New York, one is in New Jersey, two are in California, and one is in Florida. The bank has not opened or closed any branch offices or engaged in any mergers or acquisitions since the prior evaluation.

The bank's deposit products include checking, savings, money market, and certificate of deposit accounts. Alternative banking services include internet and mobile banking, as well as wire and fund transfers.

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 the bank offers include commercial real estate, import/export trade, 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.

Ability and Capacity

As of March 31, 2026, the bank reported total assets of $14.0 billion and total deposits of 12.0 billion. Loans are the bank's primary asset at $9.8 billion, with securities totaling $2.4 billion. Since the previous evaluation, total assets increased 14.8 percent, total deposits increased 16.5 percent, and net loans increased 19.8 percent.

The following table illustrates the loan portfolio composition as of March 31, 2026.

Loan Portfolio Distribution as of 03/31/2026		
Loan Category	**$(000s)**	**%**
Construction and Land Development	583,675	6.0
1-4 Family Residential	203,057	2.1
Multi-Family (5 or more) Residential	1,203,441	12.3
Secured by Nonfarm Nonresidential Properties	3,755,030	38.3
Total Real Estate Loans	**5,745,203**	**58.7**
Commercial and Industrial Loans	2,808,134	28.7
Consumer Loans	21,950	0.2
Loans to Other Financial Institutions	451,671	4.6
Other Loans	790,367	8.1
Less: Unearned Income	23,343	(0.3)
Total Loans	**9,793,982**	**100**
Source: Call Report		

There are no financial, legal, or other impediments affecting the bank's ability to meet the credit needs of its assessment areas.

DESCRIPTION OF ASSESSMENT AREAS

The CRA requires each financial institution to define one or more assessment areas within which its supervisory agency will evaluate its CRA performance. IDBNY had delineated the following three assessment areas. Each is also a separate rated area.

- N**ew York (NY) – New Jersey (NJ) Multistate Metropolitan Statistical Area (MSA):** This assessment area includes Bronx, Kings, Nassau, New York, Putnam, Queens, Richmond, Rockland, Suffolk, and Westchester counties in New York, and Bergen, Essex, Hudson, Hunterdon, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex, and Union counties in New Jersey. The bank contracted this assessment area since the previous evaluation.

- **California:** This assessment area includes the two whole contiguous counties of Orange and Los Angeles. The assessment area delineation is unchanged from the previous evaluation.

- **Florida:** This assessment area includes the three whole contiguous counties of Broward, Miami-Date, and Palm Beach. The assessment area delineation is unchanged from the previous evaluation.

Refer to the separate rated area sections of this evaluation for a detailed description of each assessment area.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated July 31, 2023, to the current evaluation dated July 27, 2026. 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 conducted a full-scope review of the bank's performance in each assessment area. The NY-NJ Multistate MSA Assessment Area received the most weight in the overall ratings and conclusions, as this area contains the highest volume of loans, branches, and deposits.

Activities Reviewed

In accordance with Interagency Wholesale Institution CRA Examination Procedures, this evaluation assessed the bank's performance in meeting the community development needs of its assessment areas through community development lending, qualified investments (including grants and donations), and community development services. A wholesale bank is not required to engage in all three types of community development activities to receive a "Satisfactory" or higher rating. This evaluation considered all community development activities the bank conducted within its assessment areas and the broader statewide, regional, and nationwide area that includes the bank's assessment areas. Examiners considered bank records, publicly available financial information, demographic and economic information, and other information obtained during the evaluation process to assess IDBNY's performance.

CONCLUSIONS ON PERFORMANCE CRITERIA

Investment, Loan, and Service Activity

IDBNY has a high level of community development loans, community development services, and qualified investments. The high level of community development loans within the three assessment areas primarily supports this conclusion. These community development activities are commensurate with the bank's ability and financial capacity and are consistent with the needs and availability of such opportunities within the assessment areas.

Please refer to the separate rated area sections of this evaluation for detailed descriptions of the bank's community development activities in its assessment areas.

Community Development Loans

IDBNY has a high level of community development loans, which is consistent with the prior evaluation. The high level of community development loans in the NY-NJ Multistate MSA Assessment Area and the nationwide area primarily support this conclusion. Although the bank's performance in its California and Florida assessment areas was not as strong as in the NY-NJ Multistate MSA Assessment Area, it did not have a negative impact on the overall rating, as these two areas received less weight. In addition, IDBNY's performance within California and Florida has also shown strong improvement since the prior evaluation.

IDBNY's overall level of community development lending is significantly higher compared to the prior evaluation, as it increased 78.3 percent by number and 175.1 percent by dollar volume. Furthermore, its performance notably exceeds that of other similar wholesale banks operating within its assessment areas, particularly in the New York-New Jersey Multistate MSA Assessment Area. The bank also continues to originate a high dollar volume of community development loans nationally.

During the evaluation period, the bank originated 82 community development loans totaling $976.5 million. These loans primarily focused on providing community services, while also addressing affordable housing, promoting economic development, and revitalizing and stabilizing primarily low- and moderate-income areas.

The bank's dollar volume of community development lending represents 7.0 percent of total assets ($14.0 billion) and 10.0 percent of total loans ($9.8 billion), as of March 31, 2026, which is a substantive increase over the percentages noted at the prior evaluation, at 2.9 percent and 4.4 percent of total assets and total loans, respectively. Furthermore, IDBNY achieved significantly higher percentages while its total assets and total loans also notably increased during this timeframe by 14.8 percent and 21.0 percent, respectively. This further supports very strong performance at this evaluation.

In terms of dollar distribution, 53.6 percent of the bank's total community development lending was in the NY-NJ Multistate MSA Assessment Area, 13.8 percent was in the California Assessment Area, 13.6 percent was in the Florida Assessment Area, and 19.0 percent benefited the nationwide area. Since IDBNY's efforts were responsive to the community development lending needs of its assessment areas, it received credit for those nationwide activities.

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

Community Development Lending by Rated Area										
Rated Area	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
NY-NJ Multistate MSA	2	28,250	37	427,133	1	40,000	1	27,500	41	**522,883**
California	11	52,334	4	70,115	2	4,900	1	7,000	18	**134,349**
Florida	1	37,000	8	84,618	1	6,000	1	6,000	11	**133,618**
Nationwide	2	17,290	8	143,331	2	25,000	0	0	12	**185,621**
Total	**16**	**134,874**	**57**	**725,197**	**6**	**75,900**	**3**	**40,500**	**82**	**976,471**
Source: Bank Records										

The following are examples of the bank's community development loans on a national basis.

- During the evaluation period, the bank made 8 loans totaling $143.3 million that provided community services to primarily low- and moderate-income individuals on a national basis. These loans financed the purchase, refinance, and/or ongoing working capital needs for numerous skilled-health and nursing care facilities in which a majority of its patients are low-income Medicaid recipients. The provision of bank financing helped to maintain operations and these services within the states of North Carolina, Maryland, Ohio, Missouri, and Georgia.

- In 2024, IDBNY renewed a $15.0 million line of credit to a firm in Illinois that provides direct financing to small and mid-size businesses throughout the country and helps to promote economic development. This credit line included a $5.0 million increase from the original line of credit made in 2023 for $10.0 million to this company. The borrower provides customized financing packages to target business segments including manufacturers, distributors, importers and exporters, and service providers, which are secured by accounts receivables. A majority of the businesses receiving funding are startups, companies experiencing rapid growth, or companies in a turnaround mode. These companies often require credit with terms that are not available through traditional banking sources. The borrower meets the small business size eligibility standards of the SBA's Investment Company program, and the loans help to create and/or maintain moderate-income wage jobs.

- In 2024, the bank originated a $14.0 million loan that supported affordable housing in Richardson, Texas. The proceeds were used to refinance and lower debt costs, as well as for various capital expenditures needed for the property, which is a 236-unit multifamily building that solely serves low- and moderate-income families and individuals. All the rents are below the area's fair market rent threshold, as established by the U.S. Department of Housing and Urban Development (HUD).

Qualified Investments

Since the previous evaluation, the bank maintained or extended 36 qualified investments and donations, totaling approximately $63.2 million, throughout its three assessment areas. This represents an increase by both number (75.0 percent) and dollar volume (24.2 percent) since the prior evaluation. The bank's qualified investments represent 0.5 percent of total assets ($14.0 billion) and 2.4 percent of total securities ($2.4 billion). All the securities supported affordable housing for low- and moderate-income families, while all the donations primarily supported community service initiatives within the respective assessment areas.

By dollar volume, the bank made approximately 56.9 percent of the qualified investments and grants in the NY-NJ Multistate MSA Assessment Area, 32.4 percent in the Florida Assessment Area, and 10.6 percent in the California Assessment Area. Two donations for approximately $5,000 were made to an organization located outside the bank's assessment areas; however, examiners gave credit for these donations because the bank was responsive to the community development needs within its assessment areas.

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

Qualified Investments and Donations by Rated Area										
Rated Area	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
NY-NJ Multistate MSA	8	35,925	15	66	0	0	0	0	**23**	**35,991**
California	5	6,733	0	0	0	0	0	0	**5**	**6,733**
Florida	6	20,502	0	0	0	0	0	0	**6**	**20,502**
Nationwide	0	0	2	5	0	0	0	0	**2**	**5**
Total	**19**	**63,160**	**17**	**71**	**0**	**0**	**0**	**0**	**36**	**63,231**
Source: Bank Data										

Community Development Services

During the evaluation period, three bank employees performed 925 hours of community development service activity, providing financial expertise or technical assistance to community development organizations. IDBNY's community development services were all within its NY-NJ Multistate MSA and Florida assessment areas. Please refer to those assessment area sections for details.

Investment, Loan, and Service Initiatives

The bank rarely uses innovative or complex community development loans, qualified investments, or community development services. Although the bank's community development activities are responsive to the assessment areas' community development needs, examiners did not consider these activities to be particularly innovative or complex.

Responsiveness to Community Development Needs

IDBNY demonstrated excellent responsiveness to the credit and community economic development needs in its assessment areas, particularly affordable housing and community service needs within the combined assessment areas.

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners reviewed the bank's compliance with the laws relating to discrimination and other illegal credit practices, including the Fair Housing Act and the Equal Credit Opportunity Act. Examiners did not identify any discriminatory or other illegal credit practices.

NEW YORK-NEW JERSEY MULTISTATE MSA

CRA RATING FOR NEW YORK-NEW JERSEY MULTISTATE MSA: Outstanding.

IDBNY has an outstanding record of addressing the community development needs of the NY-NJ Multistate MSA Assessment Area, through community development loans, qualified investments, and community development services.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NEW YORK-NEW JERSEY MULTISTATE MSA

IDBNY maintains its main office in midtown Manhattan (New York County), located in a census tract with no income designation. The bank also has branches in Brooklyn (Kings County) in a middle-income census tract, Staten Island (Richmond County) in a middle-income census tract, and Short Hills, (Essex County), New Jersey in an upper-income census tract.

As stated previously, the bank's assessment area in this rated area includes 22 counties in NY and NJ. The NY portion consists of Bronx, Kings, Nassau, New York, Putnam, Queens, Richmond, Rockland, Suffolk, and Westchester counties. The NJ portion includes Bergen, Essex, Hudson, Hunterdon, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex, and Union counties. All the counties make up the NY-NJ Multistate MSA #35620 in its entirety.

According to the June 30, 2025, FDIC Summary of Deposits data, 76.7 percent of the bank's total deposits are in this assessment area.

Economic and Demographic Data

According to the 2020 United States (U.S.) Census, the assessment area includes 500 low-, 1,043 moderate-, 1,638 middle-, and 1,551 upper-income census tracts, as well as 196 tracts with no income designation (NA-income) for a total of 4,928 census tracts. The following table details the demographic information for this assessment area.

Demographic Information of the Assessment Area NY-NJ Multistate MSA Assessment Area						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**N/A* % of #**
Geographies (Census Tracts)	4,928	10.2	21.2	33.2	31.5	4.0
Population by Geography	20,081,935	11.2	22.0	32.7	33.1	1.0
Housing Units by Geography	7,717,263	10.6	20.9	32.6	35.1	0.9
Owner-Occupied Units by Geography	3,624,665	3.0	14.3	37.8	44.5	0.4
Occupied Rental Units by Geography	3,418,154	19.0	27.9	27.1	24.8	1.3
Vacant Units by Geography	674,444	8.5	20.7	33.1	36.4	1.3
Businesses by Geography	3,552,712	7.9	17.5	30.3	41.9	2.3
Farms by Geography	15,218	4.3	12.6	30.3	51.2	1.6
Family Distribution by Income Level	4,623,641	24.4	15.8	17.9	41.9	0.0
Household Distribution by Income Level	7,042,819	27.2	14.3	15.7	42.9	0.0
Median Family Income MD - 29484 Lakewood-New Brunswick, NJ MD Median Family Income MD - 35004 Nassau County-Suffolk County, NY MD Median Family Income MD - 35084 Newark, NJ MD Median Family Income MD - 35614 New York-Jersey City-White Plains, NY-NJ MD		$113,495 $130,301 $107,827 $85,483	Median Housing Value			$ 554,694
			Median Gross Rent			$1,562
			Families Below Poverty Level			9.3%
Source: 2020 Census and 2025 D&B Data (*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100%.						

According to 2025 Dun & Bradstreet (D&B) data, there were 3,552,712 businesses in the assessment area. The breakdown of these businesses by gross annual revenue (GAR) category is as follows:

- 93.1 percent have GARs of $1 million or less;
- 2.2 percent have GARs more than $1 million; and
- 4.7 percent have unknown revenues.

The top employers in the assessment area include the following: JP Morgan Chase, N.A.; New York Presbyterian Healthcare System; Mount Sinai Health System; NYC Health + System; and Montefiore Health System.

According to Moody's Analytics, the area has multiple economic strengths, such as being a financial capital of the world and a magnet for educated workers. The area also has a high per capita income and multiple "high value" industries, such as financial services, pharmaceuticals, and technology. Economic weaknesses include high costs, including taxes, housing, office rents, and energy, a rapidly aging infrastructure, and weak population growth.

The unemployment rate for the NY-NJ Multistate MSA is at 4.3 percent as of May 2026, which is slightly higher than the national average of 4.2 percent and lower than the state unemployment rates for NY and NJ at 4.6 percent and 4.7 percent, respectively.

Competition

The assessment area is a competitive market for financial services. According to the FDIC Deposit Market Share report as of June 30, 2025, 149 financial institutions operated 4,153 branch offices within the assessment area. IDBNY ranked 28th with an approximate 0.3 percent deposit market share. The five institutions with the highest deposit market share accounted for 65.4 percent of total market share. These entities are the largest multi-trillion and multi-billion-dollar depository institutions that serve a much larger national, multi-regional, and multi-state areas, including this assessment area.

There is also strong competition for small business loans within the assessment area. In 2024, 348 lenders reported 815,801 small business loans. IDBNY ranked 100th with an approximate 0.1 percent deposit market share. The top ten lenders accounted for 89.3 percent of total loans; however, the top lenders are predominantly large national banks that originate credit cards.

Community Contact

Examiners reviewed information derived from a recent contact made with a local non-profit economic development organization to identify the area's credit and community development needs. The organization focuses on small businesses throughout the five boroughs of New York City. The contact indicated that small businesses are having difficulties managing their cashflows, often resulting in the increased use of credit cards, merchant cash advances, and forms of short-term loans. The contact also noted a spike in delinquency rates among small businesses, and they are working with the community to reduce their outstanding debt. The contact mentioned that better technical support is needed to assist small business owners with their respective loan packages, considering the requirements in the decision-making process. In addition, the contact mentioned that financial institutions should look to offer products that allow small businesses to refinance higher interest loans as well as develop/incorporate more flexible underwriting standards to meet customer needs.

Credit and Community Development Needs and Opportunities

Based on information from the community contact, bank management, and the demographic and economic data, examples of ongoing credit needs include loans and lines of credit for small businesses, particularly those with smaller dollar amounts. Community development needs include assisting smaller business owners with financial and business planning. Also, considering the high median housing and rental costs, particularly in the New York City area, housing availability and affordability remain challenges within the assessment area.

SCOPE OF EVALUATION – NEW YORK-NEW JERSEY MULTISTATE MSA ASSESSMENT AREA

Examiners used full-scope examination procedures to evaluate IDBNY's performance in the NY-NJ Multistate MSA 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 NEW YORK-NEW JERSEY MULTISTATE MSA ASSESSMENT AREA

Investment, Loan, and Service Activity

IDBNY has a high level of community development loans, qualified investments, and 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 Lending

IDBNY made a high level of community development loans in the NY-NJ Multistate MSA Assessment Area, as well as the broader regional area that includes the bank's delineated assessment area. During the evaluation period, the bank originated 41 community development loans totaling $523.0 million. This activity represented 53.6 percent of the bank's total community development lending by dollar volume. The bank's community development lending focused on providing community services to primarily low- and moderate-income individuals.

The bank's total community development lending in this area increased significantly from the previous evaluation period, which included 19 loans totaling $125.7 million. The current level represents an 115.8 percent increase by number and 316.1 percent increase by dollar volume from the prior evaluation, which is substantial. Given the bank's capacity, market presence, and the demonstrated credit and community development needs, IDBNY exhibited strong performance in this assessment area.

The following table details the bank's community development lending in the assessment area by year and purpose.

Community Development Lending NY-NJ Multistate MSA Assessment Area										
Activity Year	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
2023 (partial)	1	8,250	4	80,321	0	0	0	0	5	**88,571**
2024	1	20,000	15	185,338	1	40,000	1	27,500	18	**272,838**
2025	0	0	16	151,724	0	0	0	0	16	**151,724**
YTD *2026	0	0	2	9,750	0	0	0	0	2	**9,750**
Total	**2**	**28,250**	**37**	**427,133**	**1**	**40,000**	**1**	**27,500**	**41**	**522,883**
*Source: Bank Records; * denotes year-to-date (YTD)*										

The following describes the bank's community development loans in this assessment area.

- During the evaluation period, the bank made 25 loans totaling $394.4 million that supported community services for primarily low- and moderate-income individuals in the NY-NJ Multistate MSA Assessment Area. These loans financed the purchase, refinance, and/or ongoing working capital needs for multiple skilled-health and nursing care facilities in which a majority of its patients are low-income Medicaid recipients. The provision of bank financing helped to maintain operations and these services throughout the NY-NJ Multistate MSA Assessment Area, as well as the broader regional area that included the bank's delineated assessment area.

- In 2024, the bank made a $27.5 million loan that revitalized and stabilized a low-income geography within the NY-NJ Multistate MSA Assessment Area. The loan proceeds were used to pay down debt and fund renovations to a hotel located in a low-income census tract to allow it to remain operational, which maintained primarily moderate-income wage jobs. The hotel was originally built as part of a White Plains City Council economic plan to revitalize the downtown core of the city of White Plains, New York (Westchester County), which is still in effect.

- Since the prior evaluation, IDBNY made two loans totaling $28.3 million that supported affordable housing within the NY-NJ Multistate MSA Assessment Area. The loans were used to either purchase or construct multifamily buildings that have a total of 112 units that solely serve low- and moderate-income families and individuals. All the rents are below the area's fair market rent threshold, as established by HUD. Both properties are located in moderate-income geographies in the Bronx, New York.

Qualified Investments

Since the previous evaluation, IDBNY maintained or extended 23 qualified investments totaling approximately $36.0 million in the NY-NJ Multistate MSA Assessment Area. The qualified investments in the assessment area represent 56.9 percent of the bank's total qualified investments. Total qualified investments decreased since the prior evaluation, which included total qualified investments of $43.6 million. The majority of the bank's investments and donations supported affordable housing for low- and moderate-income individuals.

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

Qualified Investments NY-NJ Multistate MSA Assessment Area										
Activity Year	**Affordable Housing**		**Community Services**		**Economic Development**		**Revitalize or Stabilize**		**Totals**	
	#	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**	**#**	**$(000s)**
Prior Period	5	27,587	0	0	0	0	0	0	**5**	**27,587**
2023	0	0	0	0	0	0	0	0	**0**	**0**
2024	2	7,588	0	0	0	0	0	0	**2**	**7,588**
2025	0	0	0	0	0	0	0	0	**0**	**0**
2026	1	750	0	0	0	0	0	0	**1**	**750**
Subtotal	**8**	**35,925**	**0**	**0**	**0**	**0**	**0**	**0**	**8**	**35,925**
Qualified Grants & Donations	0	0	15	66	0	0	0	0	**15**	**66**
Total	**8**	**35,925**	**15**	**66**	**0**	**0**	**0**	**0**	**23**	**35,991**
Source: Bank Data										

The following are notable examples of the bank's qualified investments in the NY-NJ Multistate MSA Assessment Area:

- The bank maintains five mortgage-backed securities (MBSs) from prior periods, with a total current book value of $27.6 million, that support affordable housing. All mortgages collateralizing the securities were made to low- and moderate-income borrowers within the bank's assessment area, with some of the underlying mortgages also secured by properties in low- and moderate-income geographies. These MBSs support affordable housing because they are secured by home mortgage loans to low- and moderate-income individuals.

- In 2024, the bank purchased a $1.6 million community impact bond fund that invests in specific mortgage-backed securities that promote affordable housing in low- and moderate-income areas to low- and moderate-income families or individuals within the bank's assessment area.

- During the review period, the bank donated $6,000 to a 501(c), non-profit organization that provides financial and educational programs and counseling services to low- and moderate-income individuals within the assessment area. The donation supported community service activities.

Community Development Services

Since the previous evaluation, IDBNY employees performed 901 hours of community development service activity, primarily through involvement with various community organizations in the NY-NJ Multistate MSA Assessment Area. The bank's community development service activities primarily supported community service and economic development initiatives. The assortment of community development activities was responsive to the identified community development needs.

The following table details the bank's community development services by year and community development purpose.

Community Development Services NY-NJ Multistate MSA Assessment Area					
Activity Year	**Affordable Housing**	**Community Services**	**Economic Development**	**Revitalize or Stabilize**	**Totals**
	# Hours	**# Hours**	**# Hours**	**# Hours**	**# Hours**
2023 (Partial)	0	0	0	0	**0**
2024	0	108	24	0	**132**
2025	0	565	24	0	**589**
YTD 2026	0	170	10	0	**180**
Total	**0**	**843**	**58**	**0**	**901**
Source: Bank Data					

The following are notable instances of the bank's community development services.

- The Senior Vice President of Private Banking serves on the Board of an outreach center focused on supporting start-ups as well as minority and women-owned businesses. The center supports low- and moderate-income entrepreneurs and small business owners with one-on-one counseling, business planning, marketing guidance, and help obtaining government certifications and contracts.

- An Assistant Vice President at the bank founded a 501(c)(3) non-profit to support underserved youth from low- and moderate-income families. The non-profit provides financial literacy programs including banking and personal finance management, budgeting and financial planning workshops, financial aid, and student loan guidance.

- The Senior Vice President of Private Banking serves on the finance committee of a community center for low- and moderate-income senior citizens located in the assessment area. The center provides resources including assisting seniors with their Medicaid applications, SNAP benefits, and applications for the Home Energy Assistance Program (HEAP).

CALIFORNIA

CRA RATING FOR CALIFORNIA: Outstanding

IDBNY has an excellent record of addressing the community development needs of the California Assessment Area, through community development loans, qualified investments, and community development services.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN CALIFORNIA

IDBNY maintains two branch offices in this assessment area – both in Los Angeles County. The Beverly Hills branch is in an upper-income census tract, and the Los Angeles branch is located in downtown Los Angeles in a census tract with no income designation. In June 2026, the bank relocated the Los Angeles branch less than a mile away from its previous location. According to the June 30, 2025, Summary of Deposits data, 7.2 percent of the bank's total deposits are from this assessment area.

As stated previously, the assessment area in this rated area includes two counties – Los Angeles and Orange. Both counties are located within the Los Angeles-Long Beach-Anaheim, California MSA #31080.

Economic and Demographic Data

According to the 2020 U.S. Census, the assessment area includes 178 low-, 856 moderate-, 926 middle- and 1,071 upper-income census tracts, as well as 81 tracts with no income designation (NA-income), for a total of 3,112 census tracts. The following table details the demographic information for this assessment area.

Demographic Information of the Assessment Area California Assessment Area						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**N/A* % 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	1,985,856	3.5	19.3	27.7	47.4	2.1
Farms by Geography	9,368	2.4	14.5	26.7	54.7	1.7
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 MD - 11244 Anaheim-Santa Ana-Irvine, CA MD Median Family Income MD - 31084 Los Angeles-Long Beach-Glendale, CA MD		$106,451 $80,317	Median Housing Value			$ 696,400
			Median Gross Rent			$1,670
			Families Below Poverty Level			9.6%
Source: 2020 Census and 2025 D&B Data (*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100%.						

According to 2025 D&B data, there were 1,985,856 businesses in the assessment area. The breakdown of these businesses by GAR category is as follows:

- 92.5 percent have GARs of $1 million or less;
- 2.3 percent have GARs more than $1 million; and
- 5.2 percent have unknown revenues.

The top employers in the assessment area include the following: Cedars-Sinai Medical Center; Los Angeles International Airport (LAX); University of California Los Angeles (UCLA); and VXI Global Solutions.

According to Moody's Analytics, the area has multiple economic strengths, such as a strong healthcare base, a growing tech presence that provides well-paying jobs, and global ties via the entertainment, tourism, and fashion industries. Economic weaknesses in the area include the outflow of residents as well as the frequent natural disasters such as drought, wildfires, and earthquakes.

The unemployment rate for the Los Angeles-Long Beach-Anaheim, California MSA is at 5.1 percent as of May 2026, which is higher than the national average of 4.2 percent and slightly lower than the state unemployment rate for California at 5.3 percent.

Competition

The assessment area is a competitive market for financial services. According to the FDIC Deposit Market Share report as of June 30, 2025, 107 financial institutions operated 1,929 branch offices within the assessment area. IDBNY ranked 47th with an approximate 0.1 percent deposit market share. The five institutions with the highest deposit market shares accounted for 61.9 percent of total market share. These entities are the largest multi-trillion and multi-billion-dollar depository institutions that serve this assessment area.

There is also strong competition for small business loans within the assessment area. In 2024, 263 lenders reported 617,747 small business loans, where IDBNY ranked 119th with less than .01 percent market share. The top ten lenders accounted for 91.1 percent of total loans; however, the top lenders are predominantly large national banks, some of which originate credit cards.

Community Contact

To identify the area's community development needs, examiners reviewed a recent community contact interview with a non-profit economic development organization that serves all of Los Angeles County. The organization is also a community development financial institution (CDFI). According to the contact, they would like to see stronger partnerships between banks and CDFIs, noting that banks often misunderstand CDFIs as risky. They argue the opposite - that CDFIs offer safer, more protected lending partnerships than many bankers realize, with the flexibility to support borrowers and projects that traditional banks typically cannot. The contact also expressed frustration that recent bank mergers are eliminating smaller lenders that offered lower-cost, more favorable loans. In addition, they mentioned that CDFIs need rates slightly below market, which they feel financial institutions may not understand. They would like to see regulators highlight the value of lending to and partnering with CDFIs, and they are seeking greater funding flexibility, particularly from banks.

Credit and Community Development Needs and Opportunities

Based on information from the community contact, bank management, and the demographic and economic data, examples of ongoing credit needs include more flexibility in funding, particularly from financial institutions. Community development needs include more affordable housing, which is even more difficult with the increasing costs of development, land, and labor. Also, there continues to be a need for homeownership support, small business support and financing, financial literacy, and access to flexible credit.

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 a high level of community development loans, qualified investments, and 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 Lending

IDBNY made a high level of community development loans in California. During the evaluation period, the bank originated 18 community development loans totaling $134.3 million. This activity represented 13.8 percent of the bank's total community development lending by dollar volume. The bank's community development lending focused on supporting affordable housing for low- and moderate-income individuals.

The bank's total community development lending in this area increased significantly from the previous evaluation period, which included seven loans totaling $14.8 million. The current amount represents a 157.1 percent increase by number and 807.4 percent increase by dollar volume from the prior evaluation, which is substantial. Given the bank's capacity, market presence, and the demonstrated credit and community development needs in the assessment area, the bank exhibited strong performance.

The following table details the bank's community development lending in the assessment 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)**
2023 (partial)	0	0	1	12,140	0	0	0	0	**1**	**12,140**
2024	11	52,334	1	40,000	0	0	1	7,000	**13**	**99,334**
2025	0	0	2	17,975	2	4,900	0	0	**4**	**22,875**
YTD 2026	0	0	0	0	0	0	0	0	**0**	**0**
Total	**11**	**52,334**	**4**	**70,115**	**2**	**4,900**	**1**	**7,000**	**18**	**134,349**
Source: Bank Records										

The following describes the bank's community development loans in California:

- During the evaluation period, the bank made three loans totaling $62.1 million that supported community services for primarily low- and moderate-income individuals in California. These loans financed the purchase, refinance, and/or ongoing working capital needs for multiple skilled-health and nursing care facilities in which a majority of its patients are low-

income Medicaid recipients. The provision of bank financing helped to maintain operations and these services throughout the broader statewide area of California, which includes the bank's delineated assessment area.

- Since the prior evaluation, IDBNY made 11 loans totaling $52.3 million that supported affordable housing within the California Assessment Area. Ten of these loans were used to refinance and lower debt costs, as well as for various capital expenditures needed for the properties, which were all multifamily buildings that house a total of 480 units that solely serve low- and moderate-income families and individuals. All the rents are below the area's fair market rent threshold, as established by HUD. The eleventh loan funded the construction of a new 15-unit building, of which 5 units were formally set aside as being affordable with rents below the HUD fair market threshold.

Qualified Investments

Since the previous evaluation, IDBNY maintained or extended five qualified investments totaling approximately $6.7 million in the assessment area. These qualified investments represent 10.6 percent of the bank's total qualified investments. Total qualified investments increased since the prior evaluation, which noted total qualified investments of $5.0 million. The majority of the bank's investments and donations benefited efforts to provide affordable housing to low- and moderate-income individuals.

The table below details the number and dollar amount of qualified investments within the assessment area 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	3	3,114	0	0	0	0	0	0	**3**	**3,114**
2023	0	0	0	0	0	0	0	0	**0**	**0**
2024	0	0	0	0	0	0	0	0	**0**	**0**
2025	1	1,000	0	0	0	0	0	0	**1**	**1,000**
2026	1	2,619	0	0	0	0	0	0	**1**	**2,619**
Subtotal	**5**	**6,733**	**0**	**0**	**0**	**0**	**0**	**0**	**5**	**6,733**
Qualified Grants & Donations	0	0	0	0	0	0	0	0	**0**	**0**
Total	**5**	**6,733**	**0**	**0**	**0**	**0**	**0**	**0**	**5**	**6,733**
Source: Bank Data										

The following are notable examples of the bank's qualified investments in the California Assessment Area:

- The bank maintained three MBSs, with a total current book value of $3.1 million, that support affordable housing. All mortgages collateralizing the securities were made to low- and moderate-income borrowers within the bank's assessment area, with some of

the underlying mortgages secured by properties in low- and moderate-income geographies. These MBSs support affordable housing because they are secured by home mortgage loans to low- and moderate-income individuals.

- The bank invested $10.0 million in a community development fund supporting affordable housing, $2.6 million of which was allocated to the California Assessment Area. The bank's investment consisted of mortgage-backed securities secured by loans to low- and moderate-income borrowers within the assessment area.

Community Development Services

During the evaluation period, IDBNY employees did not provide any community development service activities in the California Assessment Area.

FLORIDA

CRA RATING FOR FLORIDA: Outstanding

IDBNY has an excellent record of addressing the community development needs of the Florida Assessment Area, through community development loans, qualified investments, and community development services.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN FLORIDA

IDBNY maintains one branch in this assessment area in Miami-Dade County, located in Aventura. The branch is in a census tract with no income designation. According to the June 30, 2025, Summary of Deposits data, 17.8 percent of the bank's total deposits are from this assessment area.

As stated previously, the assessment area in this rated area includes three counties - Broward, Miami-Dade, and Palm Beach. These counties are located within the Miami-Fort Lauderdale-West Palm Beach, FL MSA #33100.

Economic and Demographic Data

According to the 2020 U.S. Census, the assessment area includes 78 low-, 394 moderate-, 456 middle-, and 512 upper-income census tracts, as well as 56 tracts with no income designation (NA-income) for a total of 1,497 census tracts. The following table details the demographic information for this assessment area.

Demographic Information of the Assessment Area Florida Assessment Area						
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**	**N/A* % 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	22.1	1.8
Vacant Units by Geography	376,027	4.5	23.5	26.3	43.6	2.2
Businesses by Geography	1,628,050	2.7	23.2	28.7	43.2	2.3
Farms by Geography	8,364	2.3	16.6	27.9	51.7	1.5
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	24.8	16.0	16.8	42.5	0.0
Median Family Income MD - 22744 Fort Lauderdale-Pompano Beach-Sunrise, FL MD Median Family Income MD - 33124 Miami-Miami Beach-Kendall, FL MD Median Family Income MD - 48424 West Palm Beach-Boca Raton-Delray Beach, FL MD		$73,430 $60,666 $79,785	Median Housing Value			$ 321,948
			Median Gross Rent			$1,441
			Families Below Poverty Level			10.6%

Source: 2020 Census and 2025 D&B Data (*) The NA category consists of geographies that have not been assigned an income classification. Due to rounding, totals may not equal 100%.

According to 2025 D&B data, there were 1,628,050 businesses in the assessment area. The breakdown of these businesses by GAR category is as follows:

- 93.9 percent have GARs of $1 million or less;
- 1.4 percent have GARs more than $1 million; and
- 4.7 percent have unknown revenues.

The top employers in the assessment area include the following: Publix Super Markets; University of Miami; Jackson Health System; and American Airlines.

According to Moody's Analytics, the area has multiple economic strengths, such as being a tourist destination and maintaining strong ties to internation trade in Latin America. Economic weaknesses in the area include the highly volatile employment base and the fact that the area is land constrained due to being surrounded by the Atlantic Ocean and the Everglades, which restricts expansion.

The unemployment rate for the Miami-Fort Lauderdale-West Palm Beach MSA is at 3.3 percent as of May 2026, which is lower than the national average of 4.2 percent and the unemployment rate for the state of Florida at 4.8 percent.

Competition

The assessment area is a competitive market for financial services. According to the FDIC Deposit Market Share report as of June 30, 2025, 86 financial institutions operated 1,333 branch offices within the assessment area. IDBNY ranked 29th with an approximate 0.6 percent deposit market share. The five institutions with the highest deposit market shares accounted for 52.4 percent of total market share. These entities are the largest multi-trillion and multi-billion-dollar depository institutions that serve this assessment area.

There is also strong competition for small business loans within the assessment area. In 2024, 262 lenders reported 396,021 small business loans, where IDBNY ranked 100th with a 0.1 percent market share. The top ten lenders accounted for 87.8 percent of total loans; however, the top lenders are predominantly large national banks, some of which originate credit cards.

Community Contact

Examiners reviewed information derived from a recent contact made with a local non-profit economic development corporation in Miami-Dade County to identify credit and community development needs. The contact indicated that there are opportunities for banks to collaborate more on innovative initiatives with both small business owners and first-time homebuyers. The contact also noted that volunteer opportunities exist to assist in programs regarding tax preparation, community services, and small business technical assistance.

Credit and Community Development Needs and Opportunities

Based on information from the community contact, bank management, and the demographic and economic data, examples of ongoing credit needs for small businesses include flexible financing options. Community development needs include assisting smaller business owners with financial and business planning. Additionally, there is a need for affordable housing support, particularly for low- and moderate-income individuals in the assessment area.

SCOPE OF EVALUATION – FLORIDA ASSESSMENT AREA

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 excellent level of community development loans, qualified investments, and 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 Lending

IDBNY made a high level of community development loans in Florida. During the evaluation period, the bank originated 11 community development loans totaling $133.6 million. This activity represented 13.7 percent of the bank's total community development lending by dollar volume. The bank's community development lending focused on providing community services to low-income individuals.

The bank's total community development lending in this assessment area increased significantly from the previous evaluation period, which included six loans totaling $20.4 million. This represents an 83.3 percent increase by number and 554.9 percent increase by dollar volume from the prior evaluation, which is substantial. Given the bank's capacity, market presence, and the demonstrated credit and community development needs, IDBNY exhibited a strong performance in this assessment area.

The following table details the bank's community development lending in the assessment 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)**
2023 (partial)	0	0	0	0	0	0	0	0	**0**	**0**
2024	0	0	3	18,240	1	6,000	0	0	**4**	**24,240**
2025	1	37,000	0	0	0	0	1	6,000	**2**	**43,000**
YTD 2026	0	0	5	66,378	0	0	0	0	**5**	**66,378**
Total	**1**	**37,000**	**8**	**84,618**	**1**	**6,000**	**1**	**6,000**	**11**	**133,618**
Source: Bank Records										

The following describes the bank's community development loans in Florida.

- During the evaluation period, the bank made 8 loans totaling $84.6 million that provided community services for primarily low- and moderate-income individuals within Florida. These loans financed the purchase, refinance, and/or ongoing working capital needs for numerous skilled-health and nursing care facilities in which a majority of the patients are

low-income Medicaid recipients. The provision of bank financing helped to maintain operations and these services throughout the broader statewide area of Florida, which includes the bank's delineated assessment area.

- In 2025, the bank originated a $37.0 million loan that supported affordable housing within a moderate-income geography within its Florida Assessment Area. The proceeds were used to refinance and lower debt costs, as well as for various capital expenditures needed for the property, which is a 266-unit multifamily building that solely serves low- and moderate-income families or individuals. All the rents are below the area's fair market rent threshold, as established by HUD.

Qualified Investments

Since the previous evaluation, IDBNY maintained or extended six qualified investments totaling approximately $20.5 million in the assessment area. The qualified investments in the Florida Assessment Area represent 32.4 percent of the bank's total qualified investments. Total qualified investments increased since the prior evaluation, which included total qualified investments of $2.3 million. The majority of the bank's investments and donations benefited efforts to provide affordable housing to low- and moderate-income individuals.

The table below details the number and dollar amount of qualified investments within the assessment area 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	2	1,381	0	0	0	0	0	0	**2**	**1,381**
2023	0	0	0	0	0	0	0	0	**0**	**0**
2024	2	2,490	0	0	0	0	0	0	**2**	**2,490**
2025	0	0	0	0	0	0	0	0	**0**	**0**
2026	2	16,631	0	0	0	0	0	0	**2**	**16,631**
Subtotal	**6**	**20,502**	**0**	**0**	**0**	**0**	**0**	**0**	**6**	**20,502**
Qualified Grants & Donations	0	0	0	0	0	0	0	0	**0**	**0**
Total	**6**	**20,502**	**0**	**0**	**0**	**0**	**0**	**0**	**6**	**20,502**
Source: Bank Data										

The following are notable examples of the bank's qualified investments in the Florida Assessment Area.

- The bank invested $10.0 million in a community development fund supporting affordable housing, $6.6 million of which was allocated to the Florida Assessment Area. The bank's investment consisted of mortgage-backed securities secured by loans to low- and moderate-income borrowers within the assessment area.

- During the review period, the bank purchased two Government National Mortgage Association (GNMA) MBSs totaling $11.5 million. The mortgages collateralizing the securities were made to low- and moderate-income borrowers within the bank's assessment area, with the underlying mortgages secured by property located in low- and moderate-income geographies. These investments support affordable housing.

Community Development Services

During the evaluation period, an IDBNY employee performed 24 hours of community development service activities. The Assistant Vice President of Commercial Banking participated in a mentorship program in South Florida educating low- and moderate-income students on financial literacy, entrepreneurship, and work readiness. This service represents an increase in activity since the prior evaluation, which identified no community development service activities in this assessment area.

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.