



PUBLIC DISCLOSURE

July 19, 2021

**COMMUNITY REINVESTMENT ACT
PERFORMANCE EVALUATION**

Ponce Bank
Charter Number: 706509

2244 Westchester Avenue,
Bronx, NY 10462

Office of the Comptroller of the Currency

340 Madison Avenue, 4th Floor
New York, NY 10173

NOTE: 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, and should not 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

Overall CRA Rating	2
Description of Institution	3
Scope of the Evaluation	3
Discriminatory or Other Illegal Credit Practices Review	5
Multistate Metropolitan Statistical Area Rating	6
New York-Jersey City-White Plains, NY-NJ.....	6
Community Development Test	10
Appendix A: Scope of Examination.....	A-1
Appendix B: Summary of MMSA and State Ratings.....	B-1
Appendix C: Definitions and Common Abbreviations.....	C-1
Appendix D: Tables of Performance Data.....	D-1

Overall CRA Rating

Institution's CRA Rating: This institution is rated **Outstanding**.

The lending test is rated: Outstanding.

The community development test is rated: Outstanding.

The major factors that support this rating include:

- The Lending Test rating is based on the institution's excellent geographic distribution of loans to different income levels, more than reasonable loan-to-deposit ratio, and substantial majority of lending within the assessment area.
- The Community Development (CD) Test rating is based on the institution's high level of CD loans, CD services, or qualified investment activity.
- The institution exhibits excellent responsiveness to credit and CD needs in its assessment area.

Loan-to-Deposit Ratio

Considering the bank's size, financial condition, and credit needs of the assessment area, the bank's loan-to-deposit ratio is more than reasonable. The bank's average LTD ratio from Q1 2018 to Q4 2020 is 112.08 percent. The ratio ranged from a quarterly low of 104.10 percent to a quarterly high of 121.24 during this period. The average LTD ratio was compared to the average LTD of its peer group, which is made up of five banks of similar asset size, location, and customer demographics. The peer group's average LTD ratio of 107.66 is lower compared to Ponce. The LTD ratio for the peer group ranged from a quarterly low of 82.69 percent to a quarterly high of 147.35.

Lending in Assessment Area

A majority of the bank's loans are inside its assessment area (AA). The bank originated a majority of its total loans inside its AA during the evaluation period. Home mortgage loans within the assessment area totaled 233 or 86.9 percent of total mortgage loans during the evaluation period. Small business loans within the assessment area totaled 761 or 76.9 percent of total small business loans during the evaluation period. This analysis is performed at the bank, rather than the AA, level.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	233	86.9	35	13.1	268	338,695	93.3	24,345	6.7	363,039
Small Business	761	76.9	229	23.1	990	47,123	78.1	13,200	21.9	60,323
Total	994	79.0	264	21.0	1,258	385,818	91.1	37,545	8.9	423,362

Description of Institution

Ponce Bank, formerly known as Ponce de Leon Federal Bank, is a multi-state mutual thrift headquartered in Bronx, New York. Ponce de Leon Federal Bank was established in 1960 to serve the needs of the Hispanic and low- and moderate-income communities in the Bronx and throughout New York City. In 2017, Ponce de Leon Federal Bank converted into a mutual holding company structure. The bank has two operating subsidiaries, Ponce de Leon Mortgage Corp. and PFS Services, Corp. The bank is a designated Minority Depository Institution and a Community Development Financial Institution.

The bank's market area includes Bronx, Kings, Queens, New York Counties in the State of New York and Hudson County in the State of New Jersey. The bank's CRA assessment area consists of all census tracts within all five counties included in the New York-Jersey City-White Plains, NY-NJ Metropolitan Division #35614. Ponce Bank operates 12 full-service branches throughout four boroughs of New York City as well as one full-service branch in Union City, NJ. All branches have 24-hour ATM services. There was no merger or acquisition activity that impacted the scope of the bank's operations during the evaluation period.

Ponce Bank offers a variety of credit and deposit services to business and consumers. While the bank's concentration is primarily residential mortgage lending and consumer deposit accounts, they also offer deposit products including certificates of deposit, individual retirement accounts, money market, various checking and savings accounts for individuals and businesses. In addition, the bank offers a variety of secured and unsecured consumer loan products, including home equity lines of credit and loans, business lines of credit, and personal loans. Alternative delivery systems include bill pay, telephone banking, 24-hour ATMs, online banking, mobile banking, and direct deposit.

As of December 31, 2020, the bank's loans totaled \$1.2 billion, representing 88.2 percent of total assets, and deposits totaled \$1.0 billion or 79.2 percent of total assets. Real estate and commercial loans make up the majority of the bank's loans. Real estate loans total \$1.1 billion, representing 90.9 percent of the bank's loans, while commercial loans total \$93 million or 8.0 percent of loans. The bank's tier 1 capital totaled \$141.9 million.

There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs of its assessment area. Ponce Bank's prior CRA performance evaluation (PE) was dated May 7, 2018 and was rated "Satisfactory".

Scope of the Evaluation

Evaluation Period/Products Evaluated

This performance evaluation assesses the CRA performance of Ponce Bank using intermediate small bank examination procedures. The OCC performed a full scope assessment of the bank's CRA performance in its one identified assessment area of the New York-Jersey City-White Plains NY-NJ MMSA.

The evaluation period for the lending test was January 1, 2018 through December 31, 2020. Residential mortgage lending constituted the majority of the bank's originations (by volume) during this period. As the bank's primary lending products, mortgage loans received full weight during our analysis. In

addition, the bank's lending volume for small business loans was adequate during the evaluation period and received full weighting as well. Our review focused on the geographic distribution of the bank's mortgage and small business loans by income level of the geography. As most mortgage borrowers were entities, borrower income or small business loan revenues were not required to be reported. Therefore, an analysis of loan distribution by income level of the borrower for mortgages and business revenues for small business would not be meaningful and was not given any weighting in our ratings.

For the Community Development (CD) test, examiners evaluated the bank's CD loans, investments, and services from May 8, 2018 through December 31, 2020. Our analysis of qualifying CD activities during 2020 included those performed in response to the significant impact of the COVID-19 pandemic on economies across the United States.

Selection of Areas for Full-Scope Review

In each state where the bank has an office, one or more of AAs within that state was selected for a full-scope review. For purposes of this evaluation, bank-delineated assessment areas located within the same metropolitan statistical area (MSA), multistate metropolitan statistical area (MMSA), or combined statistical area (CSA) are combined and evaluated as a single AA. Similarly, bank-delineated non-MSA AAs within the same state are combined and evaluated as a single area. These combined AAs may be evaluated as full- or limited-scope. Refer to the "Scope" section under each State Rating for details regarding how full-scope AAs were selected. Refer to appendix A, Scope of Examination, for a list of full- and limited-scope AAs.

Ratings

The bank's overall rating is a blend of the state ratings, and where applicable, multistate ratings. Ponce Bank has only one AA. Therefore, all weightings for the evaluation period was placed on the New York-Jersey City-White Plains, NY-NJ AA.

The MMSA rating and state ratings are based on performance in all bank AAs. Refer to the "Scope" section under each state and MMSA Rating section for details regarding how the areas were weighted in arriving at the respective ratings.

Discriminatory or Other Illegal Credit Practices Review

Pursuant to 12 CFR 25.28(c) or 195.28(c), respectively, in determining a national bank's or federal savings association's (collectively, bank) CRA rating, the OCC considers evidence of discriminatory or other illegal credit practices in any geography by the bank, or in any AA by an affiliate whose loans have been considered as part of the bank's lending performance. As part of this evaluation process, the OCC consults with other federal agencies with responsibility for compliance with the relevant laws and regulations, including the U.S. Department of Justice, the U.S. Department of Housing and Urban Development, and the Bureau of Consumer Financial Protection, as applicable.

The OCC has not identified that this institution (or any affiliate whose loans have been considered as part of the institution's lending performance) has engaged in discriminatory or other illegal credit practices that require consideration in this evaluation.

The OCC will consider any information that this institution engaged in discriminatory or other illegal credit practices, identified by or provided to the OCC before the end of the institution's next performance evaluation in that subsequent evaluation, even if the information concerns activities that occurred during the evaluation period addressed in this performance evaluation.

Multistate Metropolitan Statistical Area Rating

New York-Jersey City-White Plains, NY-NJ (#35614)

CRA rating for the New York-Jersey City-White Plains, NY-NJ: Outstanding.

The Lending Test is rated: Outstanding.

The Community Development Test is rated: Outstanding.

The major factors that support this rating include:

- The institution demonstrates an excellent geographic distribution for both home mortgage and small business loans by income level of the geography.
- The institution demonstrates a high level of aggregate CD activity in the New York-Jersey City-White Plains, NY-NJ MMSA.
- The institution exhibits excellent responsiveness to credit and CD needs in the New York-Jersey City-White Plains, NY-NJ MMSA.

Description of Institution's Operations in New York-Jersey City-White Plains NY-NJ

The bank has designated Bronx, New York, Queens, and Kings Counties in the State of New York and Hudson County in the State of New Jersey as its AA. All designated counties are located within the New York-Jersey City-White Plains NY-NJ Metro Division (MD), which is a part of the New York-Newark-Jersey City, NY-NJ-PA Metropolitan Statistical Area (MSA). The New York-Jersey City-White Plains, NY-NJ MD consists of 2,223 census tracts (CTs) surrounding the bank's 13 full-service branches located in the Bronx, Jackson Heights, Astoria, Brooklyn, New York, Union City, and Forest Hills. Of the 2,223 CTs, 292 are low-income (13.1 percent), 621 are moderate income (27.9 percent), 668 are middle-income (30.2 percent), and 576 are upper-income (25.9 percent). In addition, there are 66 CTs that do not report data and are listed as unknown. The AA meets the requirements of the regulation and does not arbitrarily exclude low- and moderate-income (LMI) geographies.

According to the June 30, 2020 FDIC Summary of Deposit report, Ponce Bank's deposit market share is 0.06 percent in Bronx, New York, Queens, and Kings Counties and 0.09 percent in Hudson County. The bank ranks 47 out of 111 banks in the four counties located in the State of New York in terms of deposits and 24 out of 29 in Hudson County, NJ. The New York-Jersey City-White Plains, NY-NJ AA banking market is highly competitive. The deposit market is dominated by large multi-national institutions. Ponce's major competitors include JP Morgan Chase Bank, NA.; the Bank of New York Mellon; HSBC Bank USA, NA; Goldman Sachs Bank, USA; Citibank, NA; Bank of America, NA; and TD Bank, NA. These major competitors have an established presence in the AA and provide strong competition to the bank.

Top industries in the area providing the most employment are hospital and national banks. Major employers include: Montefiore Health System, Mount Sinai Health System, JPMorgan Chase & Co., Bank of America, and New York-Presbyterian Healthcare System.

According to the U.S. Bureau of Labor Statistics (BLS), there was a significant increase in the unemployment rate in the New York-Jersey City-White Plains, NY-NJ AA. The average unemployment rate in the counties in which the bank operates increased from 3.9 percent in January 2018 to 11.3 percent in December 2020. The average unemployment rate in the bank's counties was above the State of New York unemployment rate of 8.7 percent, State of New Jersey unemployment rate of 7.7 percent, and the national average of 6.7 percent.

The December 2020 report from Moody's Analytics indicates that the New York-Jersey City-White Plains, NY-NJ AA strengths include financial capital of the work, high per capita income, and limited exposure to manufacturing and strong international immigration. The weaknesses were high costs, including taxes, housing, office rents and energy; a rapidly aging infrastructure; and a deteriorating fiscal health amid COVID-19 recession and population losses. Although, the economy is out of recession, joblessness remains high and payrolls are much farther below pre-COVID-19 levels than they are nationally. The report also indicates the AA faces a lengthy trek back to normalcy due to the COVID-19 pandemic which has negatively impacted tourism, consumer spending, residential and commercial real estate.

As part of the CRA evaluation, the OCC reviewed information from three community contacts within the bank's AA to determine local economic conditions and community needs. The first community contact, located in New York County, was a non-profit organization that focuses on affordable housing, small business lending and social services for LMI residents. The second community contact, located in Kings County, works to provide job readiness training to students with the aim of preparing them to enter the workforce. The third community contact, also located in Kings County, offers a variety of programs and resources with the purpose of enhancing economic opportunities for residents of New York City. These contacts identified affordable housing, small business financing, first-time homebuyer programs, sustainable employment, and improving LMI access to banking services as community needs.

According to the Federal Reserve Bank of New York's white paper published in December 2020, the COVID-19 pandemic has further exacerbated New York City's housing affordability and stability in both the residential and commercial arena. Given the increase in joblessness and recession, the federal government will need to provide resources to private sector, public sector, and philanthropists who can play key roles in mitigating the crises related to affordable housing, evictions, and household financial stability.

Based on the housing value and the FFIEC adjusted Median Family Income, there is a lack of affordability for low-income individuals and families to purchase a home. The 2015 U.S. Census data reported the weighted average median family income was \$67,560, while the median housing cost is \$527,538. Due to high housing costs, 66.9 percent of housing units are rented, compared to 27.2 percent being owner occupied. The weighted average monthly gross rent is \$1,345 and 32.5 percent of renters have a monthly rental cost above 30 percent of income. Vacancies make up 9.1 percent of the housing units.

The table below provides demographic data for the New York-Jersey City-White Plains, NY-NJ AA.

Table A – Demographic Information of the Assessment Area						
Assessment Area: Ponce AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	2,223	13.1	27.9	30.0	25.9	3.0
Population by Geography	8,616,881	16.5	30.9	26.8	25.4	0.3
Housing Units by Geography	3,518,512	14.6	28.1	25.4	31.5	0.3
Owner-Occupied Units by Geography	955,439	3.8	18.9	34.4	42.8	0.2
Occupied Rental Units by Geography	2,241,896	19.8	32.5	22.0	25.3	0.3
Vacant Units by Geography	321,177	10.7	25.5	21.9	41.4	0.4
Businesses by Geography	837,710	8.6	21.7	21.0	45.9	2.8
Farms by Geography	3,367	6.0	17.9	22.8	51.6	1.7
Family Distribution by Income Level	1,897,124	33.2	16.5	15.6	34.7	0.0
Household Distribution by Income Level	3,197,335	32.3	14.7	15.4	37.6	0.0
Median Family Income MSA - 35614 New York-Jersey City-White Plains, NY-NJ		\$67,560	Median Housing Value			\$527,538
			Median Gross Rent			\$1,345
			Families Below Poverty Level			17.7%
<i>Source: 2015 ACS and 2020 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>						

Scope of Evaluation in New York-Jersey City-White Plains, NY-NJ

This CRA evaluation determines the bank's record of meeting community credit needs in the MMSA. The OCC used a combination of bank and examiner generated loan and demographic reports to assess CRA performance. In addition, the OCC used information about the community and the bank's performance obtained during meetings with members of local community organizations. Examiners also considered the origination of a majority of loans inside the AA and the significant amount of market competition when evaluating overall performance.

The evaluation period for the lending test was January 1, 2018 through December 31, 2020. The analysis focused on the geographic distribution of home mortgage and small business loans. The bank was not required to report income and revenue information on a large majority of its home mortgage and all its small business loans. Therefore, the income distribution analysis is not meaningful and was not given any weighting. Examiners only placed weight on the bank's distribution of loans by income level of the geography. Examiners compared the bank's distribution to demographic information as well as aggregate performance ratios which provided a comparison to peer banks.

The evaluation period for the CD service test was May 8, 2018 through December 31, 2020. The OCC considered all qualified activities with an emphasis on those that addressed specific community needs or were particularly responsive to the COVID-19 pandemic.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN New York-Jersey City-White Plains, NY-NJ

LENDING TEST

The bank's performance under the Lending Test in the New York-Jersey City-White Plains, NY-NJ is rated Outstanding.

Based on a full-scope review, the bank's performance in the New York-Jersey City-White Plains, NY-NJ is excellent.

Distribution of Loans by Income Level of the Geography

The bank exhibits excellent geographic distribution of loans in the MMSA.

Home Mortgage Loans

Refer to Table O in the "MMSA" section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations and purchases.

Ponce's distribution of home mortgage loans within the AA shows excellent distribution in both low- and moderate-income geographies. The percentage of home mortgage loans exceeded the percentage of owner-occupied housing units in low-income CTs and exceeded the aggregate distribution of loans in low-income CTs. The percentage of home mortgage loans also exceeded the percentage of owner-occupied housing units in moderate-income CTs and exceeded the aggregate distribution of loans in moderate-income CTs.

Small Loans to Businesses

Refer to Table Q in the "MMSA" section of appendix D for the facts and data used to evaluate the geographic distribution of the bank's originations and purchases of small loans to businesses.

Ponce's distribution of small business loans within the AA shows excellent distribution in both low- and moderate-income geographies. The percentage of small loans to businesses in low-income CTs exceeded the percentage of businesses in low-income CTs and the percentage of loans by all lenders in low-income CTs. The percentage of small loans to businesses in moderate-income CTs exceeded both the percentage of businesses in moderate-income CTs and the percentage of loans by all lenders in moderate-income CTs.

Responses to Complaints

The bank did not receive any CRA related complaints during the evaluation period.

COMMUNITY DEVELOPMENT TEST

The bank's performance under the Community Development Test in the New York-Jersey City-White Plains, NY-NJ is rated Outstanding.

Based on a full-scope the review, the bank exhibits excellent responsiveness to community development needs in the MMSA through community development loans, qualified investments, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the bank's assessment area.

During the evaluation period, Ponce's aggregate new CD loans, investments, and donations inside the AA totaled over \$23.2 million. We qualified an additional \$7.0 million in CD investments based on the bank's CD investments in minority and women-owned depository institutions (MWDIs). The majority of the CD activity was driven by the bank's \$21.2 million in CD loans, which includes loans for affordable housing construction and large Paycheck Protection Program (PPP) loans aimed at revitalizing or stabilizing LMI areas. In addition, employees provided an aggregate 91.55 service hours to qualified organizations with a focus on financial education for LMI individuals and families. The bank's qualified CD services and participation in the PPP program reflected responsiveness to community needs during the COVID-19 pandemic.

Number and Amount of Community Development Loans

Refer to the Community Development Loan table below for the facts and data used to evaluate the bank's level of CD lending. The table includes all CD loans, including multifamily loans that also qualify as CD loans.

<i>Community Development Loans</i>				
Assessment Area	Total			
	#	% of Total #	\$(000's)	% of Total \$
New York-Jersey City-White Plains, NY-NJ AA	11	100%	\$21,187	100%

During the evaluation period, the bank made 11 qualified CD loans inside the AA totaling \$21.2 million. A majority of qualified loans were large PPP loans aimed at stabilizing or revitalizing LMI areas in the bank's AA, which reflects the bank's excellent responsiveness to meet the credit needs of the community in response to the COVID-19 pandemic.

Additional CD loan examples include:

- A \$712.5 thousand loan to fund the purchase of a community center by a non-profit, which provides youth programs to at-risk youth in the Bronx and Upper Manhattan.
- A \$1 million loan to fund an ambulette service that provides transportation services to individuals with special needs, nursing homes, adult day cares, and hospitals located in a LMI area.

- A \$2.6 million loan to a charter school located in a LMI CT in the bank's AA, which serves LMI students in the area.

Number and Amount of Qualified Investments

Qualified Investments										
Assessment Area	Prior Period*		Current Period		Total				Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	% of Total #	\$(000's)	% of Total \$	#	\$(000's)
New York- Jersey City-White Plains, NY-NJ AA	0	0	11	\$8,962.6	11	100%	\$8,962.6	100%	0	\$0

* Prior Period Investments means investments made in a previous evaluation period that are outstanding as of the examination date.

** Unfunded Commitments means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

The Qualified Investment Table, shown above, sets forth the information and data used to evaluate the bank's level of qualified CD investments. These tables include all CD investments and donations, including prior period investments that remain outstanding as of the examination date.

Ponce demonstrated an adequate responsiveness to CD investment opportunities in the AA. During the evaluation period, the bank made 11 CD investments or donations totaling \$9.0 million. Of which, \$1.9 million were made in and primarily benefited the bank's AA. In addition, the bank also made \$7.2 million in qualified investments in MWDIs.

Ponce also provided \$5 thousand in qualified donations to four qualified CD organizations that support underserved communities and low- to moderate income families in the bank's AA. These donations supported community services targeted at LMI students and individuals within the bank's AA.

Described below are some of the most significant qualified investments:

- A \$6 million investment in a MWDI's unsecured subordinated debt.
- A \$1.7 million investment in a mortgage backed security, which funded home loans in LMI CTs in the bank's AA.
- A \$249 thousand dollar deposit placed at a MWDI located in the bank's AA.

Extent to Which the Bank Provides Community Development Services

Ponce's level of CD services reflects an excellent level of responsiveness to identified needs within the AA. During the evaluation period, Ponce bank offered 95 CD services, of which a total of 61 were qualified for a total of 91.55 service hours. The bank's CD services primarily focus on providing financial literacy programs throughout New York City and Union City, New Jersey. These services target a wide group of people across various age ranges and income levels. However, only those activities targeted at LMI individuals were qualified.

Appendix A: Scope of Examination

The following table identifies the time period covered in this evaluation, affiliate activities that were reviewed, and loan products considered. The table also reflects the MSA(s) and non-MSA(s) that received comprehensive examination review, designated by the term “full-scope,” and those that received a less comprehensive review, designated by the term “limited-scope”.

Time Period Reviewed:	01/01/18 to 12/31/20	
Bank Products Reviewed:	Home mortgage loans, small business loans Community development loans, qualified investments, community development services	
Affiliate(s)	Affiliate Relationship	Products Reviewed
N/A		N/A
List of Assessment Areas and Type of Examination		
Rating and Assessment Areas	Type of Exam	Other Information
MMSA		
New York-Jersey City-White Plains	Full-Scope	

Appendix B: Summary of MMSA and State Ratings

	RATINGS		Ponce Bank
Overall Bank:	Lending Test Rating*	CD Test Rating	Overall Bank/State/Multistate Rating
Ponce Bank	Outstanding	Outstanding	Outstanding
MMSA or State:			
New York-Jersey City-White Plains, NY-NJ	Outstanding	Outstanding	Outstanding

(*) The Lending Test and Community Development Test carry equal weight in the overall rating.

Appendix C: Definitions and Common Abbreviations

The following terms and abbreviations are used in this performance evaluation, including the CRA tables. The definitions are intended to provide the reader with a general understanding of the terms, not a strict legal definition.

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. For example, a bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Aggregate Lending (Aggt.): The number of loans originated and purchased by all reporting lenders (HMDA or CRA) in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the state/assessment area.

Census Tract (CT): A small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tracts nest within counties, and their boundaries normally follow visible features, but may follow legal geography boundaries and other non-visible features in some instances, Census tracts ideally contain about 4,000 people and 1,600 housing units.

Combined Statistical Area (CSA): A geographic entity consisting of two or more adjacent Core Based Statistical Areas with employment interchange measures of at least 15. An employment interchange measure is a measure of ties between two adjacent entities. The employment interchange measure is the sum of the percentage of workers living in the smaller entity who work in the larger entity and the percentage of employment in the smaller entity that is accounted for by workers who reside in the larger entity.

Community Development (CD): Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet Small Business Administration Development Company or Small Business Investment Company programs size eligibility standards or have gross annual revenues of \$1 million or less; or activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas.

Community Reinvestment Act (CRA): The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its entire community, including LMI areas, consistent with the safe and sound operation of the bank, and to take this record into account when evaluating certain corporate applications filed by the bank.

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, other secured consumer loans, and other unsecured consumer loans.

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

Full-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (e.g., geographic distribution, borrower distribution, 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 conduct 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, the disposition of the application (e.g., approved, denied, and withdrawn), the lien status of the collateral, any requests for preapproval, and loans for manufactured housing.

Home Mortgage Loans: A closed-end mortgage loan or an open-end line of credit as these terms are defined under 12 CFR 1003.2, and that is not an excluded transaction under 12 CFR 1003.3(c)(1) through (c)(10) and (c)(13).

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-Scope Review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (e.g., geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-Income Individual: Individual income that is less than 50 percent of the area median income.

Low Income Geography: A census tract with a median family income that is less than 50 percent.

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 state/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every five years and used to determine the income level category of geographies. The median is the point at which half of the families have income above, and half below, a range of incomes. Also, the median income determined by the Federal Financial Institutions Examination Council (FFIEC) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above, and half below, a range of incomes.

Metropolitan Division: As defined by Office of Management and Budget, a county or group of counties within a Core Based Statistical Area that contains an urbanized population of at least 2.5 million. A Metropolitan Division consists of one or more main/secondary counties that represent an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area: An area, defined by the Office of Management and Budget, as a core based statistical area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties 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.

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 percent 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 percent and less than 80 percent, in the case of a geography.

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

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

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

Rating Area: A rated area is a state or multi-state metropolitan statistical 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 multi-state metropolitan statistical area, the institution will receive a rating for the multi-state metropolitan statistical area.

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

Small Loan(s) to Farm(s): 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 or are classified as loans to finance agricultural production and other loans to farmers.

Tier 1 Capital: The total of common shareholders' equity, perpetual preferred shareholders' equity with non-cumulative dividends, retained earnings and minority interests in the equity accounts of consolidated subsidiaries.

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

Appendix D: Tables of Performance Data

Content of Standardized Tables

A separate set of tables is provided for each state. All multistate metropolitan statistical areas, if applicable, are presented in one set of tables. References to the “bank” include activities of any affiliates that the bank provided for consideration (refer to appendix A: Scope of the Examination). For purposes of reviewing the Lending Test tables, the following are applicable: (1) purchased are treated as originations; and (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all HMDA or CRA-reporting lenders in the MMSA/assessment area. Deposit data are compiled by the FDIC and are available as of June 30th of each year. Tables without data are not included in this PE.

The following is a listing and brief description of the tables included in each set:

Table O. Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography - Compares the percentage distribution of the number of loans originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies to the percentage distribution of owner-occupied housing units throughout those geographies. The table also presents aggregate peer data for the years the data is available.

Table Q. Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography - The percentage distribution of the number of small loans (less than or equal to \$1 million) to businesses that were originated and purchased by the bank in low-, moderate-, middle-, and upper-income geographies compared to the percentage distribution of businesses (regardless of revenue size) in those geographies. Because aggregate small business data are not available for geographic areas smaller than counties, it may be necessary to compare bank loan data to aggregate data from geographic areas larger than the bank’s assessment area.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																				2018-20		
Assessment Area:	Total Home Mortgage Loans				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts					
	#	\$	% of Total	Overall Market	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate	% of Owner-Occupied Housing Units	% Bank Loans	Aggregate			
Ponce AA	233	338,695	100.0	104,918	3.8	12.9	4.6	18.9	38.2	19.7	34.4	33.9	30.5	42.8	15.0	45.0	0.2	0.0	0.3			
Total	233	338,695	100.0	104,918	3.8	12.9	4.6	18.9	38.2	19.7	34.4	33.9	30.5	42.8	15.0	45.0	0.2	0.0	0.3			

Source: 2015 ACS Census; 01/01/2018 - 12/31/2020 Bank Data, 2020 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%

Table Q: Assessment Area Distribution of Loans to Small Businesses by Income Category of the Geography																				2018-20		
Assessment Area:	Total Loans to Small Businesses				Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts					
	#	\$	% of Total	Overall Market	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate	% Businesses	% Bank Loans	Aggregate			
Ponce A A	763	39,155	100.0	284,384	8.6	24.0	9.1	21.7	30.5	21.4	21.0	20.8	21.3	45.9	23.3	45.6	2.8	1.3	2.6			
Total	763	39,155	100.0	284,384	8.6	24.0	9.1	21.7	30.5	21.4	21.0	20.8	21.3	45.9	23.3	45.6	2.8	1.3	2.6			

Source: 2020 D&B Data; 01/01/2018 - 12/31/2020 Bank Data; 2019 CRA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0%