



## PUBLIC DISCLOSURE

January 22, 2019

## COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Esquire Bank, National Association  
Charter Number 25125

100 Jericho Quadrangle, Suite 100  
Jericho, NY 11753

Office of the Comptroller of the Currency

343 Thornall Street, Suite 610, Edison, NJ 08837

**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.

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**Overall CRA Rating: This institution is rated Satisfactory.**

**The Lending Test is rated: Satisfactory.**

**The Community Development Test is rated: Outstanding.**

Esquire Bank, National Association (Esquire or bank) has a satisfactory record of meeting community credit needs based on the following:

- Esquire's quarterly loan-to-deposit (LTD) ratio is reasonable.
- A majority of loans, by number and dollar volume, were originated inside the assessment area (AA).
- The overall distribution of loans across geographies of different income levels, including low- and moderate-income (LMI) census tracts, is reasonable.
- The overall distribution of loans by income level of the borrowers is reasonable.
- The level of community development (CD) activities is excellent in relation to the bank's performance context, and reflects excellent responsiveness to AA needs.

## Definitions and Common Abbreviations

The following terms and abbreviations are used throughout 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. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

**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 MA/AA.

**Census Tract (CT):** A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan areas. Census tracts generally have a population between 1,200 and 8,000 people, with an optimal size of 4,000 people. Their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

**Community Development (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; activities that revitalize or stabilize low- or moderate-income geographies, distressed or underserved nonmetropolitan middle-income geographies, or designated disaster areas; or loans, investments, and services that support, enable or facilitate projects or activities under HUD Neighborhood Stabilization Program criteria that benefit low-, moderate-, and middle-income individuals and geographies in the bank's AA(s) or outside the AA(s) provided the bank has adequately addressed the CD needs of its AA(s).

**Community Reinvestment Act (CRA):** The statute that requires the OCC to evaluate a bank's record of meeting the credit needs of its local community, 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, home equity loans, other secured consumer loans, and other unsecured consumer loans.

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

**Full 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, loan pricing, the lien status of the collateral, any requests for preapproval, and loans for manufactured housing).

**Home Mortgage Loans:** Such loans include home purchase, home improvement and refinancings, as defined in the HMDA regulation. These include loans for multifamily (five or more families) dwellings, manufactured housing and one-to-four family dwellings other than manufactured housing.

**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 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 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.

**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 MA/AA.

**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. 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 it and half below it.

**Metropolitan Area (MA):** Any metropolitan statistical area or metropolitan division, as defined by the Office of Management and Budget, and any other area designated as such by the appropriate federal financial supervisory agency.

**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 (MSA):** 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 MSA 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.

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

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

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

**Rated Area:** A rated area is a state or multi-state MA. 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 MA, the institution will receive a rating for the multi-state MA.

**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 noncumulative 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.

## Description of Institution

Esquire is a specialized bank founded in 2006. The bank is a \$658 million financial institution wholly owned by Esquire Financial Holdings, Inc., a one-bank holding company with headquarters in Jericho, NY. Esquire is a full-service, commercial bank dedicated to serving the financial needs of the legal industry and small businesses nationally, as well as commercial and retail customers in the New York metropolitan area. The bank offers tailored products to the legal community and their clients as well as merchant services to small business owners, both on a national basis. The bank also offers traditional banking products for businesses and consumers in its local market area. Esquire operates one branch office, which is located in Garden City, NY, and an administrative office in Boca Raton, FL.

As of December 31, 2018, Esquire's asset size totaled \$658.1 million. Esquire's year-end 2018 loan portfolio totaled \$466.3 million and consisted of 38.5 percent in commercial and industrial loans, 28.9 percent in multifamily loans, 13.7 percent in one- to four- family mortgage loans, 7.4 percent in commercial real estate loans, 9.0 percent in non-real estate consumer loans, and 1.5 percent in commercial construction loans. The bank's business model is focused on community development and multifamily lending as well as post-settlement consumer lending. The multifamily loan portfolio includes loans that provide affordable housing. The legal community post- settlement programs benefit LMI borrowers, including borrowers within the bank's AA, who have little or no income due to their injuries. This loan pool includes loans to 9/11 first responders and others that are suffering from qualified medical disorders. These World Trade Center Victims Compensation Fund loans assist these individuals by bridging critical life-needs, such as shelter, food, and utility costs while they await payment of their claim. As of December 31, 2018, the bank's deposit base totaled \$572.5 million and tier one capital totaled \$85.1 million.

Esquire's AA includes all of Nassau and Suffolk Counties on Long Island, and all of Kings, Queens, Bronx and New York counties, located in New York City. There are no legal, financial, or other factors impeding the bank's ability to help meet the credit needs in its AA. The bank received an overall "Satisfactory" rating in its previous CRA Performance Evaluation dated February 16, 2016.



# Scope of the Evaluation

## Evaluation Period/Products Evaluated

Esquire was evaluated under the Intermediate Small Bank examination procedures, which include a lending test and a CD test. The lending test evaluates the bank's record of meeting the credit needs of the bank's AA through its lending activities. To evaluate the bank's lending performance, we reviewed home mortgage loans and consumer loans. The evaluation period for the lending test, except for community development loans, is January 1, 2016 through December 31, 2018. The CD test evaluates the bank's responsiveness to CD needs in its AA through qualified lending, investments and donations, and services. The evaluation period for the CD test is February 16, 2016 through December 31, 2018.

## Selection of Areas for Full-Scope Review

The bank defines its AA as Bronx, Kings, New York, Queens, Nassau and Suffolk Counties in the State of New York. Bronx, Kings, New York, and Queens Counties fall in the New York-Jersey City-White Plains NY-NJ Metropolitan Division (MD) (35614). Nassau and Suffolk Counties fall in the Nassau County-Suffolk County, NY MD (35004). Both MDs fall within the New York-Newark-Jersey City, NY-NJ-PA MSA (35620). The six counties are contiguous, with Kings and New York Counties on the western end and Nassau and Suffolk Counties on the eastern end of the AA. The AA meets regulatory requirements and does not arbitrarily exclude any LMI census tracts. We completed a full-scope review for the AA with the two MDs combined.

## Ratings

As there is only one MSA in the bank's AA, the bank's overall rating is based solely on the one full-scope review.

## **Discriminatory or Other Illegal Credit Practices Review**

Pursuant to 12 C.F.R. §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 Consumer Financial Protection Bureau, as applicable.

The OCC has not identified that this institution 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.

# Conclusions with Respect to Performance Tests

## LENDING TEST

Esquire's performance under the lending test is satisfactory. The geographic distribution portion of the test received more weight than the borrower distribution portion of the test as conclusions were based on a larger volume of loans.

### Loan-to-Deposit Ratio (LTD)

Esquire's LTD ratio is reasonable. The bank's quarterly LTD ratio since the previous CRA evaluation to December 31, 2018 averaged 75.45 percent, ranging from a low of 73.10 percent in the third quarter of 2016 to a high of 80.48 percent in the fourth quarter of 2018. Esquire's average LTD ratio is comparable to the average LTD ratios of three similarly situated banks. The peer banks' quarterly LTD ratio over the same period averaged 81.53 percent, ranging from a quarterly low of 68.49 percent to a quarterly high of 88.67 percent.

### Lending in Assessment Area

Based on the data in Table D below, we concluded the inside/outside ratio of the bank's originations of loans is reasonable. By number and dollar amount, a majority of the loan originations were inside the bank's AA. The following table details the bank's lending inside and outside its AA by number and dollar amount:

Loan Category	Number of Loans				Total #	Dollar Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
Home Mortgage	75	97.40	2	2.60	77	167,165	96.76	5,600	3.24	172,765
Consumer	483	57.09	363	42.91	846	25,707	43.46	33,448	56.54	59,155
<b>Total</b>	<b>558</b>	<b>60.46</b>	<b>365</b>	<b>39.54</b>	<b>923</b>	<b>192,872</b>	<b>83.16</b>	<b>39,048</b>	<b>16.84</b>	<b>231,920</b>

Source: 01/01/2016-12/31/2018 Bank Data

### Geographic Distribution of Loans

The overall distribution of loans across geographies of different income levels, including LMI census tracts, is reasonable.

#### *Home Mortgage Loans*

Based on the data in Tables O for 2016, 2017, and 2018 located in Appendix C, we concluded the geographic distribution of the bank's home mortgage loan originations is excellent.

For 2016, the distribution of the bank's home mortgage loans in LMI geographies is excellent. The proportion of bank loans to borrowers in low-income tracts was significantly stronger than the proportion of owner-occupied housing units in low-income geographies. The proportion of bank loans to borrowers in moderate-income tracts was significantly stronger than the proportion of owner-occupied housing units in moderate-income geographies. The bank's home mortgage lending was significantly stronger than the aggregate distribution of loans in

low-income geographies, and significantly stronger than the aggregate distribution of loans in moderate-income geographies.

For 2017, the distribution of the bank's home mortgage loans in LMI geographies is excellent. The proportion of bank loans to borrowers in low-income tracts was significantly stronger than the proportion of owner-occupied housing units in low-income geographies. The proportion of bank loans to borrowers in moderate-income tracts was significantly stronger than the proportion of owner-occupied housing units in moderate-income geographies. The bank's home mortgage lending was significantly stronger than the aggregate distribution of loans in low-income geographies, and significantly stronger than the aggregate distribution of loans in moderate-income geographies.

For 2018, the distribution of the bank's home mortgage loans in LMI geographies is excellent. The proportion of bank loans to borrowers in low-income tracts was stronger than the proportion of owner-occupied housing units in low-income geographies. The proportion of bank loans to borrowers in moderate-income tracts was significantly stronger than the proportion of owner-occupied housing units in moderate-income geographies. The bank's home mortgage lending was stronger than the aggregate distribution of loans in low-income geographies, and significantly stronger than the aggregate distribution of loans in moderate-income geographies.

### ***Consumer Loans***

Based on the data in Tables U for 2016, 2017, and 2018 located in Appendix C, and the following performance context considerations, we concluded the geographic distribution of the bank's originations of consumer loans is reasonable.

For 2016, the distribution of the bank's consumer loans in LMI geographies is reasonable. The proportion of loans was comparable to the proportion of households in low-income geographies and weaker than the proportion of households in moderate-income geographies.

For 2017, the distribution of the bank's consumer loans in LMI geographies is reasonable. The proportion of loans was weaker than the proportion of households in low-income geographies and weaker than the proportion of households in moderate-income geographies.

For 2018, the distribution of the bank's consumer loans in LMI geographies is reasonable. The proportion of loans was weaker than the proportion of households in low-income geographies and weaker than the proportion of households in moderate-income geographies.

While the bank's proportion of consumer loans in LMI geographies was generally weaker than the proportion of households in LMI geographies, it was not significantly weaker; and based on the overall volume of loans, the bank provided a reasonable number of consumer loans in those geographies.

## **Lending to Borrowers of Different Incomes**

The overall distribution of loans by income level of the borrowers is reasonable.

### ***Home Mortgage Loans***

We did not analyze the bank's home mortgage loan lending performance with respect to lending to borrowers of different incomes as these loans were made to businesses and not natural persons.

### ***Consumer Loans***

Based on the data in Tables V for 2016, 2017, and 2018 located in Appendix C, and the following performance context considerations, we concluded the borrower distribution of the bank's originations of consumer loans is reasonable.

For 2016, the distribution of the bank's consumer loans to LMI borrowers is reasonable. The proportion of loans was weaker than the proportion of low-income households and weaker than the proportion of moderate-income households.

For 2017, the distribution of the bank's consumer loans to LMI borrowers is reasonable. The proportion of loans was comparable to the proportion of low-income households and weaker than the proportion of moderate-income households.

For 2018, the distribution of the bank's consumer loans to LMI borrowers is excellent. The proportion of loans was stronger than the proportion of low-income households and stronger than the proportion of moderate-income households.

Similar to the proportion of consumer loans in LMI geographies, in the instances where the proportion of loans to LMI borrowers was weaker than the proportion of LMI households, it was not significantly weaker. Based on the overall volume of loans, the bank provided a reasonable number of consumer loans to LMI borrowers.

## **Responses to Complaints**

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

## **COMMUNITY DEVELOPMENT TEST**

Esquire's performance under the CD test is outstanding. The level of CD activities demonstrates excellent responsiveness to the needs of the community. Factors supporting this conclusion include an excellent record regarding qualified CD loans and investments, and adequate record regarding qualified services. The CD activities benefit LMI individuals or LMI geographic areas throughout the entire AA.

## **Number and Amount of Community Development Loans**

Esquire provided an excellent level of CD loans in its AA. During the evaluation period, the bank originated or renewed 27 loans, totaling \$63.9 million, which met the regulatory definition of community development. The CD loans were primarily related to providing affordable housing to LMI individuals in the bank's assessment area. Some examples are:

- The bank originated a \$4.0 million loan for three apartment buildings located in a low-income census tract in the Bronx. The apartment buildings have 62 apartment units where rent is below the fair market rent.
- The bank originated a \$6.9 million loan for two apartment buildings located in a low-income census tract in the Bronx. The apartment buildings have 134 apartment units where rent is below the fair market rent.
- The bank originated a \$6.2 million loan for three apartment buildings located in a low-income census tract in Manhattan. The apartment buildings have 49 apartment units where rent is below the fair market rent.

## **Number and Amount of Qualified Investments**

Esquire provided an excellent level of CD investments in its AA. Esquire made four qualified investments during the evaluation period and held one investment from a prior period, for a total of \$11.4 million. The qualified investments supported affordable housing and consisted of mortgage backed securities comprised of loans made to LMI borrowers within the AA. The bank also made 26 grants, totaling \$260 thousand, supporting affordable housing and community services to LMI individuals throughout the AA.

## **Extent to Which the Bank Provides Community Development Services**

Esquire provided an adequate level of CD services in its AA. The bank engaged EVERFI to provide financial literacy training to middle and high school students in 11 LMI school districts within the bank's AA. The online, self-paced program includes modules covering introductory topics such as saving and budgeting to advanced topics like insurance, taxes, and investing. In addition, one bank officer provided financial literacy training to LMI individuals belonging to two community organizations within the bank's AA. Finally, executive and senior management were significantly involved in raising funds for a law school center dedicated to the study of disability law. The center will benefit disabled law students who receive financial aid based on their income limitations resulting from their disabilities.

## **Responsiveness to Community Development Needs**

Esquire's level of CD activities demonstrated excellent responsiveness to the needs and opportunities in its AA. The bank's CD loans and investments met the identified need for affordable housing in the AA.

## Appendix A: Scope of Examination

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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 metropolitan and nonmetropolitan areas 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”).

<b>Time Period Reviewed</b>	Lending Test (excludes CD loans): 01/01/16 to 12/31/18 Investment and Service Tests and CD Loans: 02/16/16 to 12/31/18	
<b>Financial Institution</b>		<b>Products Reviewed</b>
Esquire Bank, NA (Esquire) Garden City, NY		Home Mortgage Loans Consumer Loans
<b>Affiliate(s)</b>	<b>Affiliate Relationship</b>	<b>Products Reviewed</b>
None		
<b>List of Assessment Areas and Type of Examination</b>		
<b>Assessment Area</b>	<b>Type of Exam</b>	<b>Other Information</b>
New York New York–Newark–Jersey City NY- NJ- PA MSA (35620)	Full-Scope	Bronx, Kings, New York, Queens, Nassau, and Suffolk Counties Please see Appendix B for additional information.

## Appendix B: Community Profiles for Full-Scope Areas

Table A – Demographic Information of the Assessment Area						
Assessment Area: Esquire AA						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	2,664	13.4	26.0	35.5	22.4	2.7
Population by Geography	10,810,247	16.4	27.4	33.7	22.3	0.3
Housing Units by Geography	4,281,539	15.0	25.4	32.3	27.1	0.2
Owner-Occupied Units by Geography	1,623,517	3.4	17.8	46.8	31.9	0.2
Occupied Rental Units by Geography	2,258,723	23.9	31.2	22.4	22.2	0.3
Vacant Units by Geography	399,299	11.0	24.2	29.8	34.7	0.3
Businesses by Geography	739,883	8.5	18.7	32.0	38.7	2.1
Farms by Geography	7,852	4.2	19.8	47.4	28.1	0.6
Family Distribution by Income Level	2,447,961	29.8	16.8	17.5	35.9	0.0
Household Distribution by Income Level	3,882,240	30.6	15.0	16.2	38.2	0.0
Median Family Income MSA - 35004 Nassau County-Suffolk County, NY MD		\$108,193	Median Housing Value			\$523,390
Median Family Income MSA - 35614 New York-Jersey City-White Plains, NY-NJ MD		\$72,047	Median Gross Rent			\$1,365
			Families Below Poverty Level			14.1%
<i>Source: 2010 U.S. Census &amp; 2015 ACS Census and 2018 D&amp;B Data</i> Due to rounding, totals may not equal 100.0 (*) The NA category consists of geographies that have not been assigned an income classification.						

The bank defines its AA as Bronx, Kings, New York, Queens, Nassau and Suffolk Counties in the State of New York. Bronx, Kings, New York, and Queens Counties fall in the New York-Jersey City-White Plains NY-NJ MD (35614). Nassau and Suffolk Counties fall in the Nassau County-Suffolk County, NY MD (35004). Both MDs fall within the New York–Newark–Jersey City, NY–NJ–PA MSA (35620). The six counties are contiguous, with Kings and New York Counties on the western end and Nassau and Suffolk Counties on the eastern end of the AA. The bank operates one full-service branch, located in Garden City in Nassau County.

The AA includes all 2,664 census tracts within Bronx, Kings, New York, Queens, Nassau and Suffolk Counties. Of the 2,664 census tracts, 357 (13.4 percent) are designated as low-income tracts, 692 (26.0 percent) are designated as moderate-income tracts, 946 (35.5 percent) are designated as middle-income tracts, 597 (22.4 percent) are designated as upper-income tracts, and 72 (2.7 percent) have not been assigned an income classification. The AA complies with the CRA guidelines and does not arbitrarily exclude LMI geographies.

The overall population of the AA is 10,810,247, comprising 3,882,240 households and 2,447,961 families. The median family income in the New York-Jersey City-White Plains MD



(35614) is \$72,047, and the median family income in the Nassau County-Suffolk County, NY MD (35004) is \$108,193. With respect to family distribution by income level, 29.8 percent of families in the AA are low-income, 16.8 percent are moderate-income, 17.5 percent are middle-income, and 35.9 percent are upper income. Within this AA, 14.1 percent of families are below poverty level.

The median housing value in this AA is \$523,390. This high median housing value constrains lending opportunities to LMI borrowers, as the proportion of properties affordable to LMI borrowers is limited. Using the median family income (MFI) for MD 35614, the maximum income level for low-income borrowers is \$36 thousand, making the median housing value more than 14 times over the maximum low-income level. The maximum income level for moderate-income borrowers in MD 35614 is under \$58 thousand, making the median housing value nine times over the maximum moderate-income level. Using the MFI for MD 35004, the maximum income level for low-income borrowers is \$54 thousand, making the median housing value more than nine times over the maximum low-income level. The maximum income level for moderate-income borrowers in MD 35004 is under \$87 thousand, making the median housing value six times over the maximum moderate-income level.

Competition within the AA is strong with the market dominated by large national financial institutions. According to the Federal Deposit Insurance Corporation's Deposit Market Share Report as of June 30, 2018, out of 114 institutions operating in the AA, Esquire ranked 63<sup>rd</sup> in deposit market share with 0.04 percent of the market. The top five financial institutions have a combined deposit market share of 68.15 percent and include JP Morgan Chase Bank (38.64 percent), The Bank of New York Mellon (7.67 percent), Goldman Sachs Bank USA (7.52 percent), HSBC Bank USA (7.23 percent), and Citibank (7.09 percent).

The top employers in the New York-Jersey City-White Plains, NY-NJ MD were Montefiore Health System, Mount Sinai Health System, and JPMorgan Chase & Co.<sup>1</sup> The top employers in Nassau County-Suffolk County were Northwell Health, Henry Schein Inc. (distributor of health care products and services), and Cablevision Systems Corp.<sup>2</sup> As of December 2018, the U.S. Bureau of Labor Statistics (BLS) reported the unemployment rate for Bronx County as 5.4 percent, for Kings County as 4.0 percent, for New York County as 3.5 percent, for Queens County as 3.4 percent, for Nassau County as 3.0 percent, and for Suffolk County as 3.2 percent. For the same time, the BLS reported the unemployment rate for New York State as 3.9 percent, and the national unemployment rate as 3.9 percent.<sup>3</sup>

In order to gain a better understanding of the community needs within the bank's AA, we conducted interviews with two community development organizations serving the bank's AA. Based on our discussions, the primary needs of the community are affordable housing and economic development.

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<sup>1</sup> Source: Crain's New York Business Book of Lists - 2017

<sup>2</sup> Source: Newsday, 2017

<sup>3</sup> The national and state unemployment rates are seasonally adjusted. The unemployment rates for the counties are not seasonally adjusted.

## Appendix C: Tables of Performance Data

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### Content of Standardized Tables

A separate set of tables is provided for each state. All multistate MAs 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 loans are treated as originations/purchases; (2) “aggregate” is the percentage of the aggregate number of reportable loans originated and purchased by all lenders in the MA/AA. Tables without data are not included in this PE. The following is a listing and brief description of the tables included in this 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 U. Assessment Area Distribution of Consumer 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 households throughout those geographies.

**Table V. Assessment Area Distribution of Consumer Loans by Income Category of the Borrower** – Compares the percentage distribution of the number of loans originated and purchased by the bank to low-, moderate-, middle-, and upper-income borrowers to the percentage distribution of households by income level in each MA/AA.

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																		2016
Assessment Area	Total Home Mortgage Loans			Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	% of Owner-Occupied Housing	% Bank loans	Aggregate	% of Owner-Occupied Housing	% Bank loans	Aggregate	% of Owner-Occupied Housing	% Bank loans	Aggregate	% of Owner-Occupied Housing	% Bank loans	Aggregate	% of Owner-Occupied Housing	% Bank loans	Aggregate
Esquire AA	29	56,104	100	3.0	17.2	3.7	18.5	31.0	18.6	47.9	27.6	47.2	30.5	24.1	30.4	0	0	0
Total	29	56,104	100	3.0	17.2	3.7	18.5	31.0	18.6	47.9	27.6	47.2	30.5	24.1	30.4	0	0	0

Source: 2010 U.S. Census; 01/01/2016 - 12/31/2016 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100.0

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																		2017
Assessment Area	Total Home Mortgage Loans			Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	% of Owner-Occupied Housing	% Bank loans	Aggregate	% of Owner-Occupied Housing	% Bank loans	Aggregate	% of Owner-Occupied Housing	% Bank loans	Aggregate	% of Owner-Occupied Housing	% Bank loans	Aggregate	% of Owner-Occupied Housing	% Bank loans	Aggregate
Esquire AA	18	42,406	100	3.4	16.7	4.5	17.8	44.4	18.8	46.8	5.6	46.2	31.9	33.3	30.4	0.2	0	0.2
Total	18	42,406	100	3.4	16.7	4.5	17.8	44.4	18.8	46.8	5.6	46.2	31.9	33.3	30.4	0.2	0	0.2

Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100.0

Table O: Assessment Area Distribution of Home Mortgage Loans by Income Category of the Geography																		2018
Assessment Area	Total Home Mortgage Loans			Low-Income Tracts			Moderate-Income Tracts			Middle-Income Tracts			Upper-Income Tracts			Not Available-Income Tracts		
	#	\$	% of Total	% of Owner-Occupied Housing	% Bank loans	Aggregate	% of Owner-Occupied Housing	% Bank loans	Aggregate	% of Owner-Occupied Housing	% Bank loans	Aggregate	% of Owner-Occupied Housing	% Bank loans	Aggregate	% of Owner-Occupied Housing	% Bank loans	Aggregate
Esquire AA	28	68,655	100	3.4	7.1	4.5	17.8	60.7	18.8	46.8	17.9	46.2	31.9	14.3	30.4	0.2	0	0.2
Total	28	68,655	100	3.4	7.1	4.5	17.8	60.7	18.8	46.8	17.9	46.2	31.9	14.3	30.4	0.2	0	0.2

Source: 2015 ACS Census; 01/01/2018 - 12/31/2018 Bank Data, 2017 HMDA Aggregate Data, "--" data not available.

Due to rounding, totals may not equal 100.0

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography												2016	
Assessment Area	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
Esquire AA	189	10,374	100	13.8	11.1	27.8	16.4	33.9	36.0	24.5	36.0	0.0	0.5
Total	189	10,374	100	13.8	11.1	27.8	16.4	33.9	36.0	24.5	36.0	0.0	0.5

Source: 2010 U.S. Census; 01/01/2016 - 12/31/2016 Bank Data.  
Due to rounding, totals may not equal 100.0

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography												2017	
Assessment Area	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
Esquire AA	123	7,172	100	15.4	8.9	25.6	16.3	32.6	42.3	26.3	32.5	0.2	0.0
Total	123	7,172	100	15.4	8.9	25.6	16.3	32.6	42.3	26.3	32.5	0.2	0.0

Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data.  
Due to rounding, totals may not equal 100.0

Table U: Assessment Area Distribution of Consumer Loans by Income Category of the Geography												2018	
Assessment Area	Total Consumer Loans			Low-Income Tracts		Moderate-Income Tracts		Middle-Income Tracts		Upper-Income Tracts		Not Available-Income Tracts	
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans
Esquire AA	171	8,162	100	15.4	9.4	25.6	18.7	32.6	43.9	26.3	28.1	0.2	0.0
Total	171	8,162	100	15.4	9.4	25.6	18.7	32.6	43.9	26.3	28.1	0.2	0.0

Source: 2015 ACS Census; 01/01/2018 - 12/31/2018 Bank Data.  
Due to rounding, totals may not equal 100.0

Table V: Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2016	
Assessment Area	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Esquire AA	189	10,374	100	29.9	13.8	15.9	7.9	16.9	8.5	37.4	7.4	0	62.4	
Total	189	10,374	100	29.9	13.8	15.9	7.9	16.9	8.5	37.4	7.4	0	62.4	

Source: 2010 U.S. Census; 01/01/2016 - 12/31/2016 Bank Data.  
Due to rounding, totals may not equal 100.0

Table V: Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2017	
Assessment Area	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Esquire AA	123	7,172	100	30.6	26.0	15.0	8.1	16.2	7.3	38.2	5.7	0.0	52.8	
Total	123	7,172	100	30.6	26.0	15.0	8.1	16.2	7.3	38.2	5.7	0.0	52.8	

Source: 2015 ACS Census; 01/01/2017 - 12/31/2017 Bank Data.  
Due to rounding, totals may not equal 100.0

Table V: Assessment Area Distribution of Consumer Loans by Income Category of the Borrower													2018	
Assessment Area	Total Consumer Loans			Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Not Available-Income Borrowers		
	#	\$	% of Total	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	% of Households	% Bank Loans	
Esquire AA	171	8,162	100	30.6	34.5	15.0	16.4	16.2	7.0	38.2	4.1	0.0	38.0	
Total	171	8,162	100	30.6	34.5	15.0	16.4	16.2	7.0	38.2	4.1	0.0	38.0	

Source: 2015 ACS Census; 01/01/2018 - 12/31/2018 Bank Data.  
Due to rounding, totals may not equal 100.0